





# STATESIDE / 'HE HAS LOST HIS GRASP'

## In a Disgusted Senate, Denunciations of Packwood (Only 6 Back Him)

By Michael Wines  
New York Times Service

WASHINGTON — The Senate has overwhelmingly voted to compel Senator Bob Packwood to turn over 3,000 pages of private diaries for an ethics investigation, ending with ill-concealed disgust an extraordinary political debate over the privacy rights of elected leaders.

The 94-to-6 vote on Tuesday night authorized the ethics committee to take the necessary legal steps to force the Oregon Republican to comply with a subpoena. The committee is investigating allegations that Mr. Packwood sexually harassed a number of women aides and lobbyists and then tried to suppress their testimony.

The vote followed an unusually strong denunciation by Senator Robert C. Byrd of West Virginia, the chamber's senior Democrat, who said Mr. Packwood had blackened the chamber's reputation and ought to resign.

"I believe he has lost his grasp of what it means to be a United States senator," Mr. Byrd said, adding, "It is time to have the grace to go."

Only six senators—one a Democrat—stood against the subpoena, which had been unanimously requested by the Senate Select Committee on Ethics.

The Republicans were Mr. Packwood, Alan K. Simpson of Wyoming, Jesse Helms of North Carolina, Arlen Specter of Pennsylvania and John C. Danforth of Missouri. The Democrat,

Dennis DeConcini of Arizona, was himself the target of an ethics inquiry this year and has said he will not seek re-election in 1994.

The Senate rejected, 77 to 23, a last-ditch proposal by Mr. Simpson for a compromise.

[The vote to enforce the ethics committee subpoena for the diaries is likely to shift the drama to federal court in Washington, where lawyers for Mr. Packwood and the Senate would continue their legal battle. The Washington Post reported.

[The Senate has never before sought court enforcement of a subpoena against one of its members, but it has done so four times since the procedure was established in 1978 to force compliance with one of its orders. It has

prevailed in three of those cases, according to legal experts.]

By their votes, the senators emphatically rejected Mr. Packwood's impassioned warning that the ethics committee had mutated from court to star chamber, rummaging through his life's work not only for evidence of sexual misconduct but also for information on a more recent question: whether he improperly solicited lobbyists and other political friends to offer jobs to George Packwood two years ago when the couple were in the midst of a divorce.

Indeed, the panel's subpoena demands not just diaries from the most recent five years of Mr. Packwood's career, but also virtually every scrap of paper, tape recording or computer

entry detailing his official actions during those years.

Lawmakers sided with the committee's chairman, Senator Richard H. Bryan, Democrat of Nevada, who argued that Mr. Packwood was seeking greater protection from the prying eyes of investigators than is accorded an average American being scrutinized by the criminal justice system.

"That's double standard," Mr. Bryan said, "and it's not fair to the public."

Mr. Packwood tried to peddle a last-minute compromise that would have turned the diaries over to a mediator who would have decided which passages were relevant to the ethics panel's inquiries. But critics called it a sham, noting that it

would give the committee passages relevant to the accusations of sexual harassment and soliciting jobs for George Packwood but nothing else.

Barely an hour before the end of the debate, Mr. Packwood's supporters sensed overwhelming defeat and abandoned the compromise tack. They proposed instead that the committee be allowed to subpoena all "relevant" portions of the diaries, rather than the entire diaries, and that the decision as to what was relevant be left to the courts.

That proposal peeled away to Mr. Packwood's side one of the six members of the ethics panel, Senator Larry E. Craig, Republican of Idaho. But Mr. Bryan and the panel's vice chairman called it unacceptable.

## A Freshman Senator's Voice Is Heard, and Counts, on Sexual Harassment

By Kevin Merida  
Washington Post Service

WASHINGTON — The congratulatory calls started pouring into the office of Senator Patty Murray, Democrat of Washington, and the freshman legislator was gratified. "People are saying thank you," she said, "thank you for sticking with women."

In an impassioned floor speech, Senator Murray had tried to refocus the legislative debate over the subpoena for the personal diaries of Senator Bob Packwood, Republican of Oregon, and force the Senate to explore its treatment of women who complain of sexual harassment.

Her challenge to the institution — not to "abdicate our responsibility to police ourselves" — created a stir in the Senate as colleagues tried to defend her, denounce her or stay away from her.

In one rebuke of Ms. Murray, which took on added significance coming from the senior woman in the Senate, Senator Nancy Landon Kassebaum, Republican of Kansas, said she was disturbed by some of her statements and proceeded to read Ms. Murray's remarks from the Congressional Record.

"I think it is very important for us not to send a message out on and beyond the Senate chamber that this is, somehow, a reflection of whether

we support or do not support sexual misconduct," Ms. Kassebaum said.

In the end, Ms. Kassebaum and Ms. Murray ended up on the same side — both voting to force Mr. Packwood to divulge further pages from his diaries.

That Ms. Murray's voice was heard — and it counted — is a measure of how far the Senate has come since 1991, the last time there was a major congressional controversy over allegations of sexual misconduct. In that episode, the Senate, following the recommendation of its all-male Judiciary Committee, voted to discount the sexual harassment claims of Anita F.

Hill, a law professor, and confirm Clarence Thomas to the Supreme Court.

But that was before the 1992 elections tripled the population of female senators from two to six. A seventh, Kay Bailey Hutchison, Republican of Texas, arrived this year via special election. None of the female lawmakers voted with Mr. Packwood on Tuesday — though the experience left some drained.

Ms. Hutchison, for one, noted that it was "difficult being a woman" during the debate as the issues of sexual harassment intersected with the rights of a male colleague. "I am very concerned that we apply the laws of the land to the United States Senate," she said.

Some veteran women of politics marveled at what had taken place, using words like "historic."

The camaraderie of the new Democratic women in the Senate was evident when Senator Barbara Boxer, Democrat of California, took the floor early Tuesday to praise Ms. Murray for bringing the Senate "back to reality." Listening to the dry arguments about Mr. Packwood's right to privacy, Ms. Boxer said, made her feel like she was in a law school class. She said the women who had accused Mr. Packwood of sexual misconduct were being kept waiting for the ethics committee to complete its inquiry.

"My own view is that the Senate's reputation is very much at stake," Senator Dianne Feinstein, Democrat of California, said in an interview. "Sometimes the debate concentrates too much on the trees and not the forest."

What Ms. Murray did in her speech on Monday night that riled some of her colleagues and rallied others was to turn the debate toward the troubling public perception that members of Congress will unite to protect one of their own. If the Senate had supported Mr. Packwood, she contended, it would have sent a clear message to every woman in America: "If you are harassed, keep quiet, say nothing; the cards are stacked against your ever winning."

### ★ POLITICAL NOTES ★

#### A Widening Conflict-of-Interest Web

WASHINGTON — Government regulators who hired Webster Hubbell, the associate attorney general, to press a savings and loan case in 1989 now say they did not know that his law firm had a long-standing relationship with the thrift that could have constituted a conflict.

The thrift, Madison Guaranty Savings and Loan, failed in 1989, costing taxpayers about \$47 million. In an effort to recoup some of that money, the Federal Deposit Insurance Corp. hired the influential Rose law firm of Little Rock, Arkansas, to sue the S&L's accountants, paying it \$400,000 in fees and expenses.

Through a Justice Department spokesman, Mr. Hubbell said he had told the deposit insurance agency that lawyers at his firm, including Hillary Rodham Clinton, then a senior partner, had represented Madison in the mid-1980s.

Agency officials said their attorneys had no documents and "no recollection" that Mr. Hubbell had told them of that work.

According to agency records, however, Vincent W. Foster Jr., who was a Rose partner before joining the Clinton White House general counsel's office, had written the agency earlier in 1989 soliciting work for his firm.

"The firm does not represent any savings and loan association in state or federal regulatory matters," Mr. Foster wrote, omitting to use the past tense.

Conflict-of-interest rules generally bar lawyers from representing the government in S&L cases if they have done significant work for the thrift.

The Rose firm represented Madison before state regulators when the thrift was seeking new ways to raise capital in the mid-1980s.

Federal regulators have asked the U.S. attorney in Little Rock to investigate Madison and its former owner, James B. McDougal, a longtime friend of the Clintons' and partner in a real estate development firm called Whitewater Development Corp. The Washington Post reported Tuesday that prosecutors have also been asked to look into Whitewater's land dealings. (WFP)

#### From Clinton, \$2 Billion More in New Cuts

WASHINGTON — President Bill Clinton has proposed \$2 billion more in spending cuts for military construction, energy programs and highway and water projects, a week after recommending \$9 billion in other savings through changes in the government's procurement process.

By submitting a combined package of \$11 billion in rescissions and savings recommended by the National Performance Review task force, Mr. Clinton kept his promise for another round of budget cuts.

It came in response to criticism from moderate and conservative House Democrats that Mr. Clinton's \$496 billion, five-year economic package approved in August didn't go far enough in reducing government spending.

"My administration is committed to working closely with the Congress to produce legislation that will achieve this level of savings," Mr. Clinton said in a letter to Congress transmitting the spending cut proposals. (WFP)

#### Quote/Unquote

Robert C. Byrd of West Virginia, the senior Democrat in the Senate, during the debate on whether to require Senator Bob Packwood, Republican of Oregon, to give his private diaries to the ethics committee: "I believe he has lost his grasp of what it means to be a United States senator. It is time to have the grace to go." (NYT)

#### Away From Politics

● Expressing outrage over a survey of priests and nuns by the Los Angeles Times, the Archbishop of Los Angeles, Cardinal Roger M. Mahony, accused the newspaper of planning to join in "the American media's favorite pastime — Catholic bashing." The nationwide poll was defended by the paper as "well reasoned and fair."

● Air quality fails to meet federal standards in 72 metropolitan areas where nearly 54 million people live, the Environmental Protection Agency said in an annual report. But several urban centers, with a population of 32 million, met federal standards for the first time in 1992. They included Detroit, Pittsburgh and Seattle-Tacoma.

● Sheik Omar Abdel Rahman has been put in a specially designed cell in New York City with a shower and conference room. The Egyptian cleric, who had been held in an upstate prison, is awaiting trial in connection with a bomb plot against New York landmarks. He is blind, diabetic and has difficulty walking. His new, two-room cell has been designed to meet his needs.

● An man cleared of arson and murder charges in a hotel fire that killed three people said he had been "delivered from the gates of hell." New evidence supported William Mohr's alibi that he was home with his wife the night of the 1992 fire in Napoleon, Ohio.

● Flavor Flav, a rap musician charged with firing a gun at a neighbor, is expected to check into a drug rehabilitation program, the New York district attorney's office said. The 34-year-old musician, whose real name is William Drayton, was being held on charges of attempted murder and gun possession. Bail was set at \$15,000. (LAT, AP, NYT)



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**THE EUROPEAN**  
THE WEEKLY NEWSPAPER FOR EUROPE

Handwritten Arabic text: "بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ"

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

A Brighter Path for Peru

Quite suddenly, one of the cruel and seemingly unending calamities of late 20th century Third World politics is being reduced to treatable dimensions. The Maoist Shining Path guerrilla movement, which cost Peru upward of 25,000 lives and \$20 billion, has been hit by continuity resistance, by government attack and by the capture of its founder-leader and now by his reported abandonment, in prison, of armed struggle.

No longer can lapses from democratic practice be rationalized by a requirement to combat Shining Path terrorism. This theme emerges strongly from the large vote (48 percent) against the new president-centered constitution approved in a referendum on Sunday.

Slow Down the Arms Trade

Don't Subsidize Exports

As the Pentagon's demand for new weapons declines, Ameca's arms makers, hard pressed to make a buck, or a billion, are trying harder to market their wares abroad. But the global arms market is contracting. Now the arms makers have come up with a new scheme to stimulate foreign demand: U.S. taxpayers' expense; get Congress to put up \$1 billion in government loan guarantees, a subsidy to foreigners who buy on credit.

Arms Control Is Crucial

With the cuts in defense spending, American arms producers have been lobbying Congress ferociously for more exports to other countries. In response, the Senate would provide more government aid to promote exports. The House opposes that. The decision will come in the conference on the defense authorization bill.

Other Comment

Meanwhile, Haitians Suffer

The Reverend Jean-Bertrand Aristide's statement that he won't attempt to return to Haiti while Lieutenant General Raoul Cedras remains in power avoids a confrontation in which the United States might be pressured to intervene militarily.

And Now, Spare People

Science has now acquired the monstrous power of creating a child and then another, identical to the first, to use should the first die and the parents want a carbon copy. Embryo cloning allows man to have a child with his own genetic reserve bank.

Winter Death for Bosnia, With the West Looking On

By Jim Hoagland

WASHINGTON — Bosnia's Serbs are ready to let cold and starvation finish their conquest of the Bosnian heartland, and the international community is ready to let that happen. Instead of concentration camps and mass rape, the Serbs will use the advanced Balkan winter and the Muslims' seriously depleted food stocks as their weapons of ethnic cleansing in the second year of the war.

That way the Serbs reduce the risk of outside military intervention to help the Bosnians. Without a single easily identifiable villain using odious tactics, international public opinion may not re-engage the Bosnian tragedy.

Bosnia is a peculiar twist on the familiar story of European pessimism colliding with naive American can-doism. This time cynicism about human nature propelled the Europeans into acting to minimize suffering while the Yankee optimists became involved bystanders.

Senior French officials and other Europeans believe that Serbian leaders have captured the territory in Bosnia that they want. The Serbs will now let the elements and food shortages deliver the coup de grace to Mr. Izetbegovic's divided forces. The Serbs do not want to provoke the air strikes threatened by NATO as a result of Mr. Clinton's prodding.

Now Let's Build an Asia-Pacific Economy Community

THE ASIA-Pacific region is the most dynamic component of the world economy. It has achieved an average growth rate of 7.5 percent over the past 30 years. Its share of world output and trade has risen steadily. It seems likely to continue at the forefront of world economic progress in the decades ahead.

There are widespread perceptions in East Asia that the United States might substantially withdraw, in economic or military terms or both. Such an event could be extremely disturbing throughout the region and have global consequences.

similar steps. Regional groupings can be building blocks for global accords. APEC-wide liberalization and trade facilitation could encourage sub-regional groupings within the Asia-Pacific, and individual countries in the region, to accelerate and intensify their liberalization programs.

At the same time, the Asia-Pacific has been the only major region of the world that has not developed region-wide, or even Asia-wide, intergovernmental institutions — in either the economic or security dimensions — to foster and facilitate its progress.

GATT has been critically important in assuring the compatibility of the European Community and other regional arrangements with the global trading system. Its rules, while inadequate and needing much more rigorous implementation, require that such arrangements not raise new barriers against outsiders.

THE CREATION of APEC in 1989 represented a critical first step in the process of filling an inter-governmental institutional vacuum. The time has now come to use the organization much more extensively to promote the economic and political interests of all peoples in the region.

At least three major development trends in the environment that has been induced by GATT appear to be reassigned for bilateral or even unilateral resolution. The entire international framework that has been so crucial to economic progress in the Asia-Pacific would be threatened.

THE THIRD development that calls for a new vision in the Asia-Pacific area is the risk of disengagement within the region. Intense trade disputes have broken out among key members of the Asia-Pacific Economic Cooperation forum — the United States and Japan, the United States and China, and other pairs — with increasing frequency.

Nonetheless, few Europeans — and even fewer observers elsewhere — believed in the 1950s that Europe could overcome its vast cultural differences and tragic history to unite economically. Today we take Europe's common market as an established part of the landscape. It is quite feasible, if difficult and ambitious, for the Asia-Pacific to achieve the more modest course we propose in the decades ahead.

But Americans Don't Seem to Be Ready

By Hobart Rowen

WASHINGTON — Forces opposed to the North American Free Trade Agreement have managed to generate fear that a treaty with Mexico will cost American jobs and depress wages.

do so. "The time has come for America to join with Japan and others in this region to create a new Pacific Community," Mr. Clinton told his Japanese audience.

The Land-Mine Plague

By Jan Eliasson

UNITED NATIONS, New York — The United Nations General Assembly turned its attention recently to the legacy of death from 100 million land mines sown across the globe. Calling for a report by next year on improving international mine-clearing efforts, the Assembly formally recognized the need to assist the estimated 62 countries afflicted by this scourge.

over the world. To slow the proliferation, some manufacturing countries have imposed export bans, and the United States is calling for a worldwide export moratorium. But 35 countries continue to manufacture these indiscriminate weapons — many of which are designed to maim rather than kill.

authority, be published tomorrow. BALE — According to the "Arbeiter-Zeitung," there have been great popular demonstrations in Vienna. Crowds paraded the principal thoroughfares shouting: "Down with Wilhelm III!"

International Herald Tribune advertisement listing staff members: KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER, RICHARD McCLEAN, etc.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

- 1893: African Bloodshed LONDON — Matabeleland was again the subject of questions in the Commons yesterday [Nov. 3]. Sir Thornycroft asked the Secretary of State for the Colonies to know if the Colonial Office had reason to believe that there had been unnecessary bloodshed owing to the forces employed in the field. Mr. Labourer asked the Under Secretary if he considered the massacre of 3,000 men necessary bloodshed. Mr. Sydney Buxton said it was not his business to say whether it was a massacre or whether it was necessary bloodshed. He was, however, glad to say that instead of 3,000 there were 500 Matabele killed.
1943: Allied Air Victory ALLIED HEADQUARTERS IN AUSTRALIA — [From our New York edition:] In support for the Solomon operations, the Southwest Pacific Air Force unleashed on Tuesday afternoon [Nov. 2] another terrific attack on the Japanese base at Rabaul, New Britain, and on a concentration of shipping which seemed to be assembling there for a counter-attack on the Allied forces invading Bougainville Island. Three destroyers, eight large merchant vessels and four small coastal vessels were sunk.
1918: Armistice Signed PARIS — Official information was issued last night [Nov. 3] announcing that the armistice with Austria had been signed. Hostilities will cease to-day at 3 P.M. The terms of the armistice will, it is learned on the best

OPINION

# Nuts to a 'War of Civilizations'

**WASHINGTON** — In the kingdom of the blind, the one-eyed man is king. Such is foreign policy Washington under the Clinton administration. The president knows that his test is to succeed with his domestic agenda. International politics do not greatly interest him.

He has named to his government's principal foreign policy positions individuals who are experts without being conceptualizers. In the policy confusion that has followed, anyone with a big theory is listened to. People in and out of government want to be told the significance of things.

Thus, Professor Samuel Huntington of Harvard's well-timed essay, "The Clash of Civilizations?" (in the summer issue of Foreign Affairs), is widely cited in Washington as "the new 'X' article" — reference, of course, to the brilliant 1947 Foreign Affairs essay by George Kennan that provided the American government with the rationale for its policy of containment of Soviet communism.

Mr. Huntington's prophetic record is not as good as it might be. He produced an essay for the Trilateral Commission in the early 1980s that argued that Western democracy was in grave danger from communism because of its failure of morale and will. We know what actually happened.

His thesis today is that national and ideological conflicts are being replaced by conflict between civilizations. "The next world war, if there is one," he says, "will be a war between civilizations." Implicit in his discussion is that this war, if it comes, will be between Islamic civilization and the West, or between a "Confucian" Asian civilization and the West. (He believes that Japan cannot dominate East Asia but that China can.)

Mr. Huntington says that the wars of kings were replaced in the 18th and 19th centuries by the wars of ideologies, and that now it is time for the wars of civilizations. Much that he says is interesting.

Some of it is true. The great civilizations are cultural and moral rivals. Members of these civilizations have fought in the past, although chiefly for religious rea-

By William Pfaff

sons. There are issues of conflict between Islamic and Asian states and the West today.

However, his claim that we have begun to make war between civilizations rests on the fact that Arabs and the West have struggled over Israel and oil, that Yugoslavia at war lies on the "fault line" dividing the Orthodox from Catholics, and both of them from Muslims, and that economic rivalry is rising between Asian nations and the West.

The Arab-Western conflict is mostly one of tangible political and economic issues: Israel's implantation in what formerly was Arab territory, and the control and exploitation of oil. It is true that Islamic fundamentalists preach opposition to Western civilization as such, but Islamic fundamentalists are not Islam. The main front in their battle is with other Muslims, as in Algeria and Egypt today.

The Gulf War was fought by Muslims and the major Western powers, but began with the invasion of one Islamic country by another and saw two of the principal Islamic powers, Egypt and Morocco, on the side of the West.

Anyone who thinks that the struggle in Bosnia is between Islamic and Christian civilizations displays how little he knows of Bosnia. Bosnia's Muslim society was integrally European, and the Bosnian government today still is the only one in ex-Yugoslavia that defends a pluralist, liberal and "Western" idea of society.

I have not the space to make detailed criticism of Mr. Huntington's argument. I will simply say that to translate the obvious differences and moral rivalries of civilizations into a foreign and strategic policy issue is a terrible error.

If tangible conflicts of economic interest (as over oil) or trade, or territorial and political conflicts (as over Israel), or ethnic nationalist conflict (as in the ex-Yugoslavia and the former Soviet Union) are interpreted as collisions of civilizations, they are thereby transferred from the realm of the negotiable and solvable into that of perpetual and unresolvable conflict.

I do not think that Mr. Hunting-

ton really understands what he has done. He has provided the rationale for something like racial war. Adherence to a civilization, like membership in a race, is unnegotiable and uncompromisable. It is unchosen and inescapable. If our future indeed is war between civilizations, then it is a future of perpetual and mendable war, or at least of wars endable only by extermination — which was Hitler's conception of his war against the Jews.

This is a desperate view of history, and expression of a total and irresponsible fatalism. It is morally as well as politically catastrophic in its implications.

It is also simply untrue. The potential as well as actual conflicts in the world today have to do with money, commerce, territory, and political and economic interest. They all can be dealt with through conventional political, economic or, if it comes to that, military measures. They have solutions. A conflict of civilizations has no solution.

The practical effect of Mr. Huntington's argument is to rationalize vulgar stereotypes of entire peoples and to license apocalyptic thinking of the kind that already in this century has given us a world war and the Cold War. That this should be taken seriously in Washington is deeply dismayed.

*International Herald Tribune.  
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# Of Writers and Rewards: As They Lay Dying . . .

By Julia Wright

**PARIS** — As the daughter of the author Richard Wright, I would like to join the debate that Edwin M. Yoder Jr. sparked around the awarding of the Nobel Prize in Literature to Toni Morrison ("An Eccentric Selection From the Nobel Folks," Oct. 13). Mr. Yoder, "politically correct" or not, put his finger on a sensitive spot — the subtle and less subtle ways in which our great men and women have been rewarded, or not, for their works in this century.

The Nobel Prize, by its own terms, has to be awarded during a writer's lifetime; it carries a reward quantifiable in dollars and cents. I can't help suspecting that Jean-Paul Sartre's notorious rejection of the prize was less a refusal of the money than a criticism of the unexistential historical vision he felt it implied. For the slow, halting recognition given by history has a patina of its own, asserting its posthumous wisdom when the sound and fury of political storms and factionalism have long died down.

The poignant way Van Gogh and Mozart died, subsequently enriching the world not only with their genius but with the awareness of the cruel price they had paid for it, has grown into a modern myth, perhaps reflecting our age-old ambivalence toward the greatness of artists, writers and musicians in their lifetimes. There is a time for everything; portraits of the artist as a young man and portraits of the artist as a dead man.

Femina Etranger in France — as he lay terminally ill, and was known to be so, at least in the Paris literary circles I was in touch with. Jimmy Baldwin died within days of learning that he had, yet again, not been chosen. He had already been bypassed for the National Book Award and the Pulitzer.

What are we to make of all this? Nothing, or everything, depending on whether we accord more importance to the fiery and fragile judgment of men or to the slow, sober verdict of history.

At the risk of seeming predictably pedantic, I see Richard Wright and Jimmy Baldwin as wounded giants who were arguably the first to cut their way into the dangerous jungle of "the enemy's language," apportioning the taboo of silence around "how it really feels to be black" and asserting the creative terrain that they thereby gained as "a language within a language," to borrow the terminology which the French philosopher Gilles Deleuze used recently about Franz Kafka.

This is not to deny that Richard Wright and Jimmy Baldwin had their differences, though my own perception of their so-called literary feud is that it was blown out of all proportion. And I still see them as having cleared an alien and tangled forest of the words-not-to-say-it, as having created a spacious area in which writers of Toni Morrison's splendid giftedness could gyrate freely and gracefully. In turn, Toni Morrison will enlarge that

clearing for her literary sons and daughters to dance in and salute her — perhaps even to surpass her.

However, where history connects, prizes may divide. And it is true that the wounds sustained by Richard Wright and Jimmy Baldwin in this invisible war of theirs have gone unhealed on the Nobel front. But these two men were very real veterans, for they wrote against a double historical grain: first, the near impenetrable pre-civil rights language of Jim Crow ethics, and second, the dominant obsessions and strictures of the Cold War.

As Natalie Robins asks in her recent penetrating analysis of the FBI dossiers that were amassed around a galaxy of this century's greatest American writers: Can the damage to their creativity ever be traced, assessed, quantified? Can it, I would add, ever be recognized and repaired? This question is central to our historical assessment of the noble (rather than Nobel) stamens of Richard Wright, Jimmy Baldwin and others: Will we ever know what hidden springs of artistry dried up when their privacy, so necessary to creativity, was being monitored and trespassed upon?

I, for one, having lived in my father's house and valued Jimmy Baldwin's friendship, know that these literary veterans were too seldom offered laurels to rest upon during the thaw-less, thankless era of our mid-century segregation and glaciation.

**MEANWHILE**

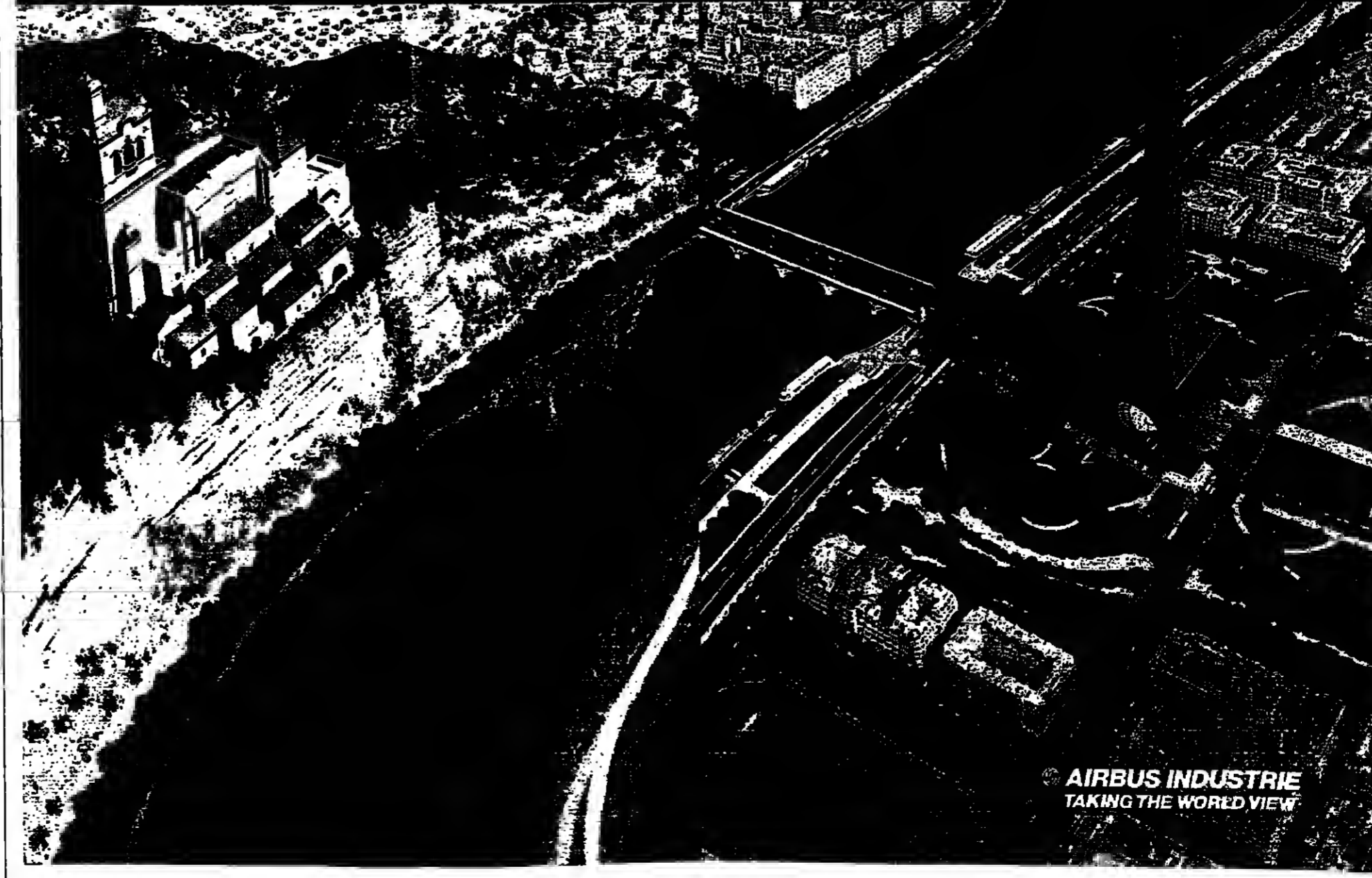
name both in Mr. Yoder's column and in the letters it provoked is an award in itself. But I can't help wondering: What would prize-less but priceless writers like Gertrude Stein, James Joyce, Richard Wright or James Baldwin have said if they had been given the choice between contemporary Nobelization and posthumous recognition? I can almost hear outbursts of surrealist graveyard humor from those four, wherever they are now. We can only imagine what their choices might have been.

But a fact is a fact is a fact: In 1960, Richard Wright had definite echoes of his Nobel nomination — and then died unexpectedly, only weeks after Saint-John Perse was announced as that year's laureate. In an interesting parallel, James Baldwin (I knew him as Jimmy) was shortlisted in 1987 for the prestigious Prix

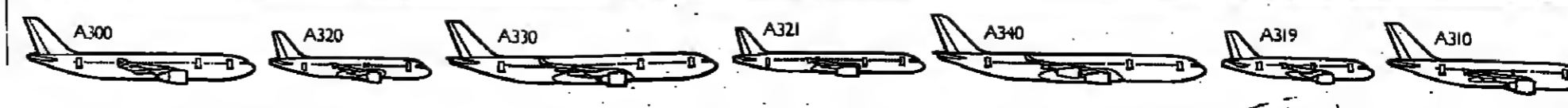
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### LETTERS TO THE EDITOR

#### Abroad and Left Out

Regarding the report "Clinton Ships Health Plan Into Certain Legislative Storm" (Oct. 28):

President Bill Clinton says that he wants a bill "that will actually guarantee health security to every citizen of this great country."

"Every citizen?" What about American citizens abroad?

The first signs are not encouraging. It seems that the Clinton health guru, Ira Magaziner, without consulting the American community abroad, has closed and bolted the door to its participation.

It looks as if strong and united efforts from Americans abroad will be needed if this is to be reversed. Otherwise we will again find ourselves paying taxes — and probably higher taxes — for something we are blocked from participating in.

FRANCIS M. S. PEEL  
Geneva.

perous autonomy" will encourage Kurds in Turkey to become "loyal Kurdish Turks."

The Kurdish people, wherever they are, dream of an independent United Kurdistan and can be loyal Kurds only to their own country.

HAIK ARSLANIAN  
Antwerp, Belgium.

#### Yeltsin the Imperfect

Regarding "Yeltsin Was Supposed to Build Democratic Consensus" (Opinion, Oct. 13):

Stephen F. Cohen selectively rearranges the context of Boris Yeltsin's recent actions and claims that he could and should have done this and that. But the fact remains that the Russian parliament was the main roadblock to serious democratic and market reforms — as Western governments have acknowledged again and again. They surely have enough information on which to base their support.

Mr. Yeltsin is no democrat in the sense that we understand the term. His team must be watched carefully. But it was Mikhail Gorbachev — already a historic figure in Mr. Cohen's romantic mythology — who packed parliament with reactionary forces in the first place. Let us see if Mr. Cohen remembers that as he waxes enthusiastic, next about Mr. Gorbachev's possible run for the Russian presidency.

JURIS MAZUTIS  
Nepean, Ontario.

#### Pornography's Role

Regarding "The Professor Declares War on Free Speech" (Opinion, Oct. 28):

George F. Will claims that "women's status tends to be lower where, as in Islamic nations, pornography is suppressed." I am sure that many women will be surprised to learn that, according to Mr. Will, pornography somehow heightens their status in society.

The fact that pornography is suppressed in Islamic countries, where the status of women is low, is merely a coincidence. Granted, pornography is not the sole cause of violence against women, but it is unquestionably a large factor.

Our culture continues to depict and treat women as male subordinates — a tradition now being defended in the name of free speech. The underlying struggle is still one for equal rights and dignity.

PETER HERBERT  
Villeurbanne, France.

#### What Does It All Mean?

Regarding "Waiting for Meaning in a Post-Cold War World" (Opinion, Oct. 31):

Richard Cohen seems to be a lost soul now that the Cold War has ended and there is no neat packet of villains and no Ronald Reagan to give structure or meaning to the news. Poor dear.

MARK CHERNIACK  
Dhaka, Bangladesh.

#### Harpoons at 20 Paces

Regarding a European Topics item (Oct. 22):

Has anyone considered arming the minke whales so they can hunt Norwegians? It would be interesting to learn how the average killing time for Norwegians would compare to the average for whales.

JOSH GIBSON,  
Paris.

#### Administrated Health

I think no one has so succinctly described the situation regarding President Bill Clinton's proposed health care system as the doctor who said, "I am not for change if it shifts dollars from those who provide health care into the pockets of those who regulate care."

SAMI-VICTOR ELIAS  
Orsay, France.

#### A Republican Future

A Republican clean sweep in New York, New Jersey and Virginia. What a blow to the Clinton-Streisand administration! If Bill and Barbara can just stay in place for a couple of years, every town, city and state in America will be Republican-led. Then we voters can start to work on Congress, which clearly has not gotten the message about America's concern for jobs and international trade.

Somer or later we the people are going to replace these time wasters and big spenders with citizens concerned with protecting the nation's prestige and power and its citizens' safety and economic well-being.

JAMES R. FEES  
Geneva.

#### Turkey's Sacrifices

Regarding "How's it for You? for Turkey to Travel" (Opinion, Oct. 29) by William Safire:

Mr. Safire shows how little he understands Turkey's current policy and its sacrifices regarding Operation Desert Storm.

Our sacrifices include not only billions of dollars in losses and an estrangement from the Arab world, but, more grave yet, a big increase in attacks against Turkey from northern Iraq, which has turned into a haven for Kurdish terrorists — thanks to Operation Provide Comfort, led by our great American ally.

It is worth reminding Mr. Safire that the United States did not hesitate to make the Arabs, Germany and Japan pay its Desert Storm-related expenses almost before the war had ended. So much for the ally whose cooperation and leadership are not for sale.

MUHITTIN KARA,  
Brussels.

Mr. Safire is correct in his analysis of the character of Turkey's alliance with the United States. But he is wrong to assert that Turkey's new prime minister, Tansu Ciller, by helping Iraqi Kurds achieve "pro-

الحرية والعدل

# Thais Step Back After Libya Orders 5,500 Expulsions

**Agence France-Press**  
**BANGKOK** — Thailand wants to avoid getting involved in a confrontation between the United States and Libya, but is determined to abide by a UN convention banning chemical weapons, Foreign Minister Prasong Soontirakij was quoted Wednesday as saying.

Mr. Prasong was reacting to reports that Libya had ordered 5,500 Thai workers to be sent home in retaliation for Bangkok moving to end any Thai role in producing illegal chemical weapons in Libya.

Bangkok has been under pressure from Washington in recent months to crack down on Thai job agencies that allegedly have sent workers to Libya to help build chemical weapons plants.

"Thailand, as a signatory country of the anti-chemical weapons convention," Mr. Prasong said, "will abide by any requirement stated in it."

He said he had instructed the Thai ambassador to Greece, who is also accredited to Libya, to tell Libya that Bangkok was honoring the weapons convention and was not following Washington's directives.

The deputy labor minister, Paitoon Kaewthong, said this week that the Thai labor consultant in Libya had reported that the Donga Consortium of South Korea, which is engaged in construction work in Libya, had been told by Libya to dismiss 5,500 Thai workers as soon as possible.

On Friday, the U.S. ambassador, David F. Lambertson, reportedly asked Interior Minister Chaowalit Yongchaiyudh to screen the job agencies and penalize those that try to cover their tracks by sending workers to Libya via third countries.

Since September, Thai authorities have shut two such agencies and arrested the owner of an engineering company suspected of involvement in building the underground plants.

About 25,000 Thais work in Libya, most of them in the construction industry. Several hundred are alleged to be involved in building chemical weapons facilities.

Washington has warned that it could not guarantee the safety of Thai workers in Libya if the United States were to take military action there.

# New Mayor Backs Jews' Settlements

**The Associated Press**  
**JERUSALEM** — Ehud Olmert, the rightist lawyer who toppled Jerusalem's celebrated Mayor Teddy Kollek, declared his support on Wednesday for Jewish settlement in Arab areas of Jerusalem, a statement that provoked alarm among Palestinians.

Mr. Olmert, a former cabinet minister and rising power in the Likud party, defeated Mr. Kollek in an election Tuesday, ending Mr. Kollek's 28-year tenure as mayor of this holy city where Palestinian-Israeli relations are especially sensitive.

Mr. Olmert said in an interview with Israel Radio that he would not oppose Jewish settlement in Arab neighborhoods and indicated that a settlement recently set up on the Mount of Olives would not be torn down as Palestinians have demanded.

"Every Jew can purchase property anywhere in Jerusalem and anywhere in the land of Israel, and I don't conceive of acting otherwise," he said.

Mr. Olmert will take office after official results are posted.



Mr. Kollek, 82, outside his home in Jerusalem on Wednesday.

# 2 New Yorkers Refought It, And This Time It Was Giuliani

**By Todd S. Purdum**  
**New York Times Service**  
**NEW YORK** — Rudolph William Giuliani, a tavern owner's son who challenged Wall Street, political corruption and the mob as one of the nation's fiercest prosecutors, edged David N. Dinkins for the right to take on municipal government and become the 107th mayor of New York City and the first Republican to lead it in a generation.

In a near-miraculous image of his two-percentage-point loss to Mr. Dinkins four years ago, Mr. Giuliani won on Tuesday by sweeping the white ethnic neighborhoods in Brooklyn, Queens and Staten Island that have been his political base, solidifying his hold on Republicans and drawing wisps of new support from crossover Democrats. But he fell short of creating the broad new moderate coalition he had hoped for.

Mr. Dinkins, the old-line liberal Democrat who had pieced together a fragile interracial alliance to become New York City's first black mayor, ran a feisty campaign and held onto almost all of it, but not enough to avoid becoming the first black mayor of a major American city to be defeated in his first reelection bid.

With 100 percent of election dis-

## What Succeeds Like Secession?

**New York Times Service**  
**NEW YORK** — Residents of Staten Island have taken a step toward severing their ties to New York City by approving a new city charter that is both a declaration of independence and the political foundation for what could become the state's second-largest city.

"We have a groundswell of feeling," said state Senator John J. Marchi, a Staten Island Republican who is considered a founding father of the secessionist movement. "Staten Island has the opportunity to participate in the creation of a city."

The stage is set for a complex political struggle in the state capital, Albany, where the legislature must act to approve Staten Island's independence.

The Democratic-controlled Assembly is expected to oppose secession, largely because almost half its members come from the city and are loath to see it divided.

In all but its outcome, the election was a striking replay of the 1989 contest, according to surveys of voters leaving the polls by Voter Research and Surveys, a consortium of four television networks. In virtually all broad demographic and political categories, Mr. Dinkins did about as well as he had four years ago.

He won more than 90 percent of the black vote, about one-quarter of the white vote, nearly two-thirds of the Hispanic vote and nearly 4 in 10 Jewish votes — all comparable to his 1989 tally. The mayor held onto 7 in 10 Democrats, and white liberal voters remained evenly split.

Only among Republicans and voters with high school diplomas did Mr. Giuliani do appreciably better than last time, holding onto 9 in 10 Republican votes, compared with 8 in 10 last time, and winning the support of nearly 6 in 10 high school graduates, compared with 4 in 10. Mr. Dinkins did notably better only among voters with incomes greater than \$100,000 a year, taking nearly 4 in 10 of their votes.

## Highlights of U.S. Voting

**The Associated Press**

**Governors:**  
**NEW JERSEY:** Christine Todd Whitman, a Republican, defeated Jim Florio, the incumbent Democrat.  
**VIRGINIA:** George Allen ended 12 years of Democratic Statehouse control by defeating Mary Sue Terry, Virginia law barred Governor L. Douglas Wilder, a Democrat, from running for reelection.

**Mayors:**  
**BOSTON:** Acting Mayor Thomas Menino defeated state Representative James Brett in a nonpartisan race. Mayor Raymond Flynn, a Democrat, had quit to become ambassador to the Vatican.  
**CLEVELAND:** Mayor Michael Wight won a second term as a nonpartisan candidate.  
**DETROIT:** A former state Supreme Court judge, Dennis Archer, defeated a prosecutor, Sharon McPhail, in a nonpartisan runoff to replace Mayor Coleman A. Young, a nonpartisan, who is retiring.  
**HOUSTON:** Bob Lanier was elected to a second two-year term. He had taken opposition in a four-way nonpartisan race.  
**MINNEAPOLIS:** The City Council president, Sharon Sayles Belton, defeated a former county commissioner, John Denis, in a nonpartisan race. Mayor Don Fraser, a Democrat, is retiring.  
**NEW YORK:** The Republican challenger, Rudolph W. Giuliani, narrowly defeated David N. Dinkins, the city's first black mayor.  
**PITTSBURGH:** Tom Murphy, a Democrat, defeated a Republican, Kathy Matta, and an independent, Duane Darkins.  
**ST. PAUL, MINNESOTA:** State Attorney Norm Coleman defeated Andy Dawkins, a state legislator. Mayor Jim Scheibel, a nonpartisan, did not seek reelection.  
**SEATTLE:** The incumbent, Norm Rice, won a nonpartisan rematch with David Stern, an advertising executive.

**Propositions:**  
**SCHOOL VOUCHERS:** Voters defeated a California proposition to provide vouchers worth \$2,600 for every school-age child to use at any public or private school.  
**TERM LIMITS:** New York City and Maine voters approved term limits for elected officials.  
**TAXES:** Voters rejected a measure to repeal \$1 billion in tax increases and to increase taxes to population growth and inflation. A measure that would link tax increases to average personal income was too close to call.  
**GAY RIGHTS:** Voters in Lewiston, Maine, and Cincinnati repealed gay-rights ordinances. Voters in Portsmouth, New Hampshire, voted against gay rights in a nonbinding referendum.  
**PRISON:** Washington state voters passed a "three strikes, you're out" measure, which would mandate life terms without parole for three-time felons. **ZONING:** Voters kept Houston the nation's largest unzoned city, defeating a zoning ordinance.  
**DUMMY:** San Francisco voters allowed a police officer, Bob Geary, to go on patrol with his ventriloquist's dummy, Officer Brendan O'Smarty.

## VOTE: Fresh Warning to Clinton

**Continued from Page 1**

higher taxes. That trend has already been felt in Congress, where Mr. Clinton has been forced to lower his sights on possible new federal revenues to balance the budget and pay for the health plan.

Three years after the tax increase, Mr. Florio remained highly unpopular, but he huddled back during the factluster campaign of Mrs. Whitman, a millionaire who had admitted hiring illegal aliens. After nearly winning a U.S. Senate seat in 1990, she becomes New Jersey's first woman governor. But she also must fulfill a campaign vow to cut state revenues by 30 percent, a promise that many voters viewed as utopian.

Some lawmakers will also see in the overall results omens for Mr. Clinton's effort to pass anti-crime legislation, including a five-day waiting period for the purchase of handguns. Crime was considered a major issue in the three key races.

But the voters' signal was mixed. Although the Democratic candidates in New Jersey and Virginia gained in opinion polls on the strength of their gun-control stands, both ultimately lost.

In New York, the Dinkins-Giuliani race was a replay of a very close 1989 finish. Some analysts suggested that Mr. Dinkins lost narrowly on Tuesday because he had failed to quell racial quickly disturbances in the Crown Heights, Brooklyn, neighborhood in 1991. But others noted that a much larger-than-usual turnout of white voters in the Staten Island section of the city helped tip the balance to Mr. Giuliani, who is white. Staten Islanders flooded the polls to register an overwhelming, though nonbinding, sentiment to secede from the city.

Mr. Allen, a former member of Congress and a staunch conservative, is the son of the renowned former coach of the Washington Redskins football team. He has promised to abolish parole, build more prisons and cut state spending.

Many Republican conservatives were disappointed that Californians easily rejected a referendum that would have offered public funds to private schools through a voucher system for parents of schoolchildren. The so-called school-choice issue is among the top goals of many Republican candidates, but teacher unions and parent-teacher associations in California raised a campaign war chest to defeat the measure soundly.

**California Rejects Voucher Plan for Private Schools**  
**Los Angeles Times Service**  
**LOS ANGELES** — An initiative that would have brought radical change to California schools has been defeated by a large margin; concurrently, voters reversed a 15-year trend by deciding to authorize an additional half-cent sales tax.

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Many Republican conservatives

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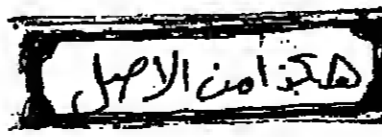
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# Fearing Reprisal, Tokyo and Seoul Urge Delay on North

By David E. Sanger

SEoul — Japan and South Korea, America's two most important allies in Asia, have urged Defense Secretary Les Aspin to avoid imposing sanctions against North Korea as long as possible, saying that action to force it to open its nuclear sites to inspection could lead to terrorism campaigns or military attack if the North's secretive government felt cornered.

But at the same time, officials in the two countries told Mr. Aspin that they would have no choice but to proceed with United Nations-imposed sanctions if the International Atomic Energy Agency declared that it could no longer verify that nuclear material was not being diverted to a weapons project.

The Pentagon had expected the director of the agency, Hans Blix, to make such a statement at the United Nations on Monday, but he stopped just short of such a declaration.

Mr. Aspin is in Seoul on a four-day trip to reassess the Clinton administration's strategy for dealing with

the North Korean nuclear threat. Senior military officials traveling with him say the allies' reluctance to back up some strongly worded warnings to North Korea with action — a reluctance that many in Washington share — has left the Clinton administration with another major foreign policy problem with few good options.

North Korea is the test case, they said, of the administration's commitment to its so-called "counterproliferation" strategy of preventing regional powers from developing nuclear weapons.

But a top military officer on the trip said Wednesday night that the challenge posed by the North's continued refusal to allow international inspection "is in many ways much tougher and more dangerous than Somalia and Bosnia."

"Our interests are much greater in Asia," the official said, and there is the possibility of "huge casualties if we make a misstep." The United States has about 80,000 troops stationed in South Korea and Japan. Mr. Aspin's trip comes amid new signals from

South Korea that it was not yet prepared to give in on two U.S. conditions for further talks with North Korea: that North Korea allow the energy agency to conduct its normal inspections, and that it talk with South Korea about carrying out a 1991 agreement that permit North and South to inspect one another's military sites.

On Monday, the North let slip by a loose deadline set by Mr. Blix to let agency inspectors replace film and batteries in failing monitoring devices at Yongbyon, the heavily guarded nuclear complex 100 kilometers (60 miles) north of Pyongyang.

But because Mr. Blix has not yet declared that the "continuity" of inspections has failed — even though many American experts believe it has — North Korea could still meet the continuity requirement by allowing inspectors in the next week or two.

On Wednesday, however, the North abruptly canceled talks scheduled for Thursday with South Korea. "I think this is something that the North has been planning for some time," said Kwon Young Hae, the

South Korean defense minister, who is among the more hawkish members of the Seoul government in dealing with the nuclear problem.

The cautious Mr. Aspin conceded that United Nations-imposed sanctions might not work. "There are a lot of questions in connection with sanctions — are they appropriate, would they work, would they have the desired outcome?" he said Wednesday just before he departed from Tokyo for Seoul.

But he repeated several warnings to the North and said that President Bill Clinton's declaration in July that a North Korean attack on the South "would be the end of their country" is still in effect.

At the core of the argument over economic sanctions is the question of whether one can effectively isolate the world's most isolated country. Many officials also believe that China, the last nation that appears to hold some sway over the government of the 81-year-old Kim Il Sung, would not enforce any sanctions and permit food and fuel to continue to be traded across its border with the North.

## An Apology to the Empress

The Associated Press

TOKYO — A magazine under fire for publishing a series of articles critical of Empress Michiko has apologized to the Imperial Palace, officials said Wednesday.

According to the palace, the Shukan Bunshun, Japan's most widely read weekly, has also promised to publish a formal apology in its next issue.

The magazine has informed us that they have earnestly taken our position into account and will apologize for expressions that might have invited misunderstanding," the palace said in a statement.

Empress Michiko, who over the last three months had been the target of press criticism, collapsed on her 59th birthday two weeks ago. She remains unable to speak but is otherwise healthy.

On the day before she fell ill, the empress issued an extremely rare statement saying that false reports about her had caused her "deep sadness and bewilderment."

## Talks Collapse on Ending Kashmir Shrine Siege

Agence France-Press

SRINAGAR, India — An agreement to end the Indian Army's siege of the mosque where Kashmir Muslim militants have been holed up for 19 days collapsed Wednesday, the chief government negotiator said.

"I am deeply disappointed," said Wajahat Habibullah, a high Kashmir official who has headed the talks with the rebels. "I was hopeful that everything would be over today but unfortunately something

somewhere went wrong." He declined to reveal what had blocked a peaceful settlement to the standoff.

Mr. Habibullah said that he held four rounds of talks Wednesday with the representatives of the 50 armed Kashmiri separatists who were inside the Hazratbal mosque on the banks of Srinagar's Dal Lake.

The separatists and 60 to 70 other people have been trapped inside the white marble mosque since it was surrounded by thousands of

troops on Oct. 15 during a sweep against insurgents.

A senior official, Mehmood ur-Rehman, said earlier that an agreement had been reached during talks overnight and that the militants would leave the complex during the day.

The militants, he said, would be separated from the others.

"The law will take its course," Mr. Rehman said, and those rebels who do not already face charges of serious crimes are expected to be let off on bail as part of the agreement.

## Bonn Vows Fast Action In Attack on American

Reuters

BOonn — The German government called Wednesday for fast action against racists for an assault on U.S. athletes, but the athlete at the center of the dispute said he blamed only the skinheads, not the whole country.

The government spokesman, Dieter Vogel, said Chancellor Helmut Kohl hoped Germany's reputation for welcoming visiting sports people would not be undone by "a few crazy fanatics."

He said the government expected justice authorities in the eastern state of Thuringen to prosecute the attackers rapidly.

But Duncan Kennedy, the U.S. tobogganer beaten up in the Eastern German winter sports resort of Oberhof over the weekend, said he did not blame Germans at large.

A white, he was assaulted by about 15 skinheads at a disco the night after intervening to keep them away from a black teammate whom they were taunting.

Mr. Kennedy, who had been training in Oberhof with the rest of the U.S. luge team for the Winter Olympics, told German radio that many Germans had told him how sorry they were.

"But I tried to explain that it wasn't their fault, nor the fault of Germany or Oberhof, but only the fault of the skinheads," he said.

Mr. Kennedy said the problem went beyond Germany. "This is a worldwide problem," he said, "especially in the U.S., too."

The U.S. Embassy in Bonn welcomed the condemnations from national and regional officials. It added that the U.S. Luge Association had said that the team still planned to take part in a World Cup event in Oberhof in January.

It said the Thuringen state premier, Bernhard Vogel, had telephoned the U.S. ambassador, Richard Holbrooke, now in the United States for consultations, to express his outrage.

The mayor of Oberhof has sent an apology to President Bill Clinton, and the townspeople, fearing for the town's reputation as a resort and competition center, called a meeting to condemn the attack.

Hein-Jürgen Nebel, the investigating state prosecutor, said that 12 police officers were on the case but that it could take two weeks for charges to be brought.

## Severo Ochoa, 88, Dies, RNA Work Won a Nobel

New York Times Service

Severo Ochoa, 88, a biochemist who won a Nobel Prize for his discovery of an enzyme that can synthesize RNA, a nucleic acid that is a vital part of the genetic machinery of living cells, died of pneumonia Monday in Madrid.

Arthur Kornberg shared the Nobel Prize in Physiology or Medicine in 1959 with Dr. Ochoa and worked as a postdoctoral student in his laboratory. He said Dr. Ochoa was "a fine teacher, a person of great enthusiasm and optimism."

Two characteristics earned Dr. Ochoa the esteem of his colleagues and scientific honors. One was his unlimited enthusiasm for dealing with recalcitrant problems in the life sciences. The other was a subtle and lucid mind that enabled him to grasp and comprehend the complexities of basic biochemistry.

"Ochoa's attitude toward science is exemplary," an admiring associate, Francisco Grande, wrote. "For him, science is primarily an intellectual adventure — the search of truth for truth's sake, an endeavor to a better understanding of the practical advantages which may be derived."

The same associate also paid tribute to the Spanish-born scientist's "modesty, the warmth of his heart and his innate kindness." And indeed, Dr. Ochoa, for all his immersion in pure research, was wholly aware of the world around him. He considered himself a liberal in politics and as an opponent of nuclear testing. He also made no secret of his sympathy with the former Republican government in Spain and his support of social pluralism. He considered an open society vital to science.

The discovery for which he received the Nobel Prize in 1959 was made in 1955. It was a bacterial enzyme, or biological catalyst, that can synthesize in the test tube the vital life substance named ribonucleic acid, or RNA, from its chemical units. He shared the prize with Dr. Kornberg, who was cited for discovering a different bacterial enzyme with the ability to synthesize another vital life chemical — deoxyribonucleic acid, or DNA.

John Gilbert Winant Jr., 71, prominent POW in 1942-45

PRINCETON, New Jersey (NYT) — John Gilbert Winant Jr., 71, who was captured by the Germans during World War II while his father was the U.S. ambassador to Britain, died Sunday after a long illness.

Princeton University as sophomore at 21 in 1942 when he enlisted in the U.S. Army Air Corps. A first lieutenant, he served as a B-17 pilot in the 8th Air Force based in England.

On his 13th combat mission, over the city of Münster, his Flying Fortress was shot down. He was reported missing in action in October 1943, and his fate made headlines. But he was captured and held by the Germans in a camp with leading politicians and notables from occupied countries. He and the others became hostages of the Nazi SS leader, Heinrich Himmler, who was said to have ordered them to be taken to the Black Forest and executed.

But the officer in charge of the operation headed a Red Cross demand for safe passage through German lines. Mr. Winant reached an American command post in Austria on May 7, 1945.

Lipman Bers, 79, Got Visas For Soviet Mathematicians

NEW YORK (AP) — Lipman Bers, 79, a retired Columbia University mathematician and champion of human rights who was instrumental in securing exit visas for Soviet mathematicians, died Friday after a series of strokes.

Mr. Bers founded the Committee on Human Rights of the National Academy of Sciences. In the 1970s, he helped secure exit visas for such mathematicians as Yuri Shikharovich, Leonid Pinsky and Valentin F. Turchin. He was also a vocal supporter of physicist Andrei D. Sakharov and his wife, Yelena G. Bonner.

Roman Zelenay, 41, deputy chairman of Slovakia's governing Movement for a Democratic Slovakia, died Monday in a car crash in the Czech Republic, Slovak Interior Ministry officials said. He was a stalwart supporter of Prime Minister Vladimir Meciar's drive for Slovak independence.

Ulf Björk, 60, a Swedish composer and conductor, died of leukemia Oct. 23 in West Palm Beach, Florida. He created the "Musical Portrait of Raoul Wallenberg," written by Herb Schapiro.

Samuel Jackson, 100, grandfather of Michael Jackson, died Sunday in a nursing home in a poor section of Phoenix, Arizona.

Adrian Venema, 52, who took the Dutch cultural world with his exposes of artists and writers, he claimed collaborated with the Nazis, apparently committed suicide Sunday in Amsterdam.

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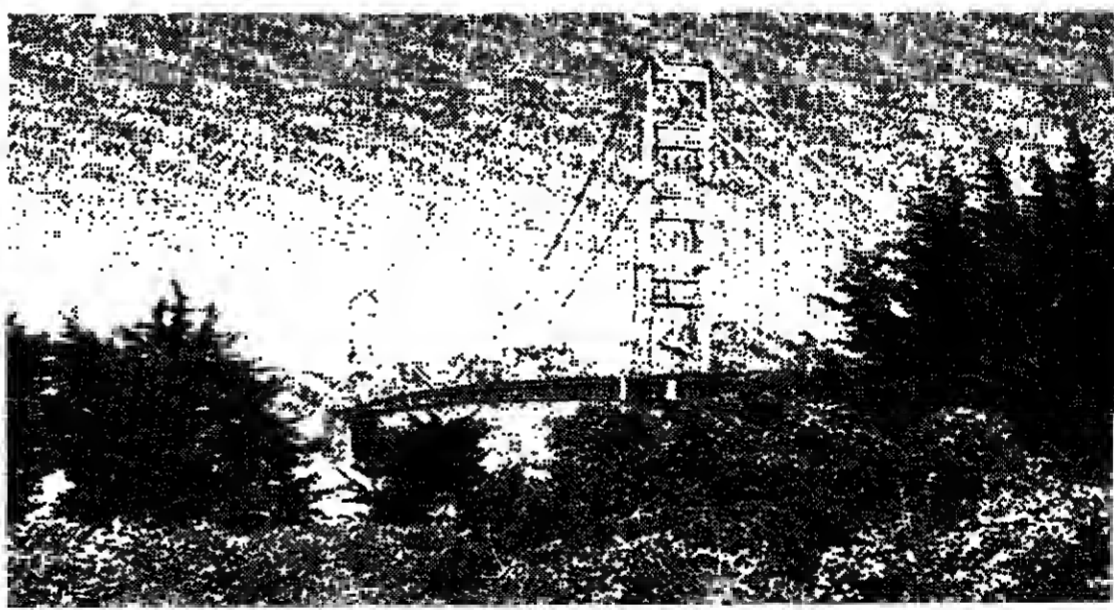
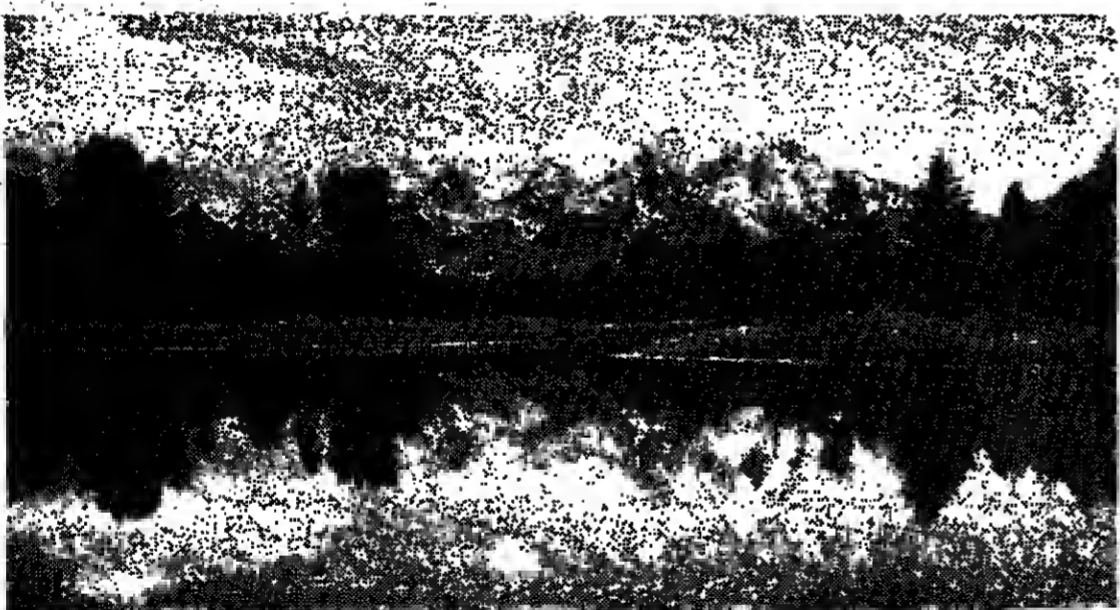
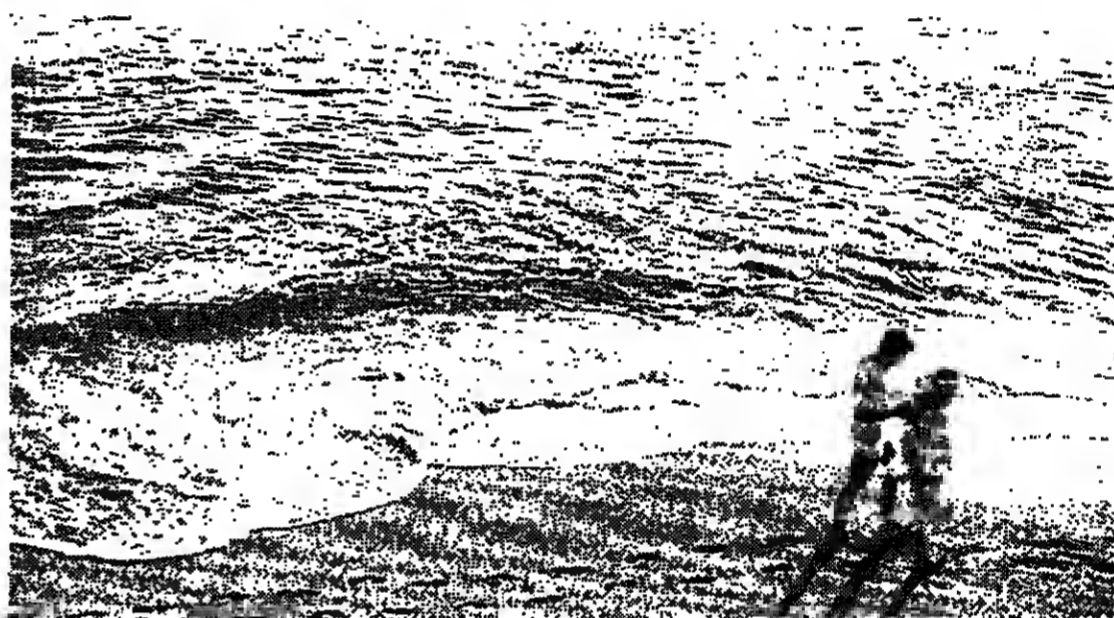
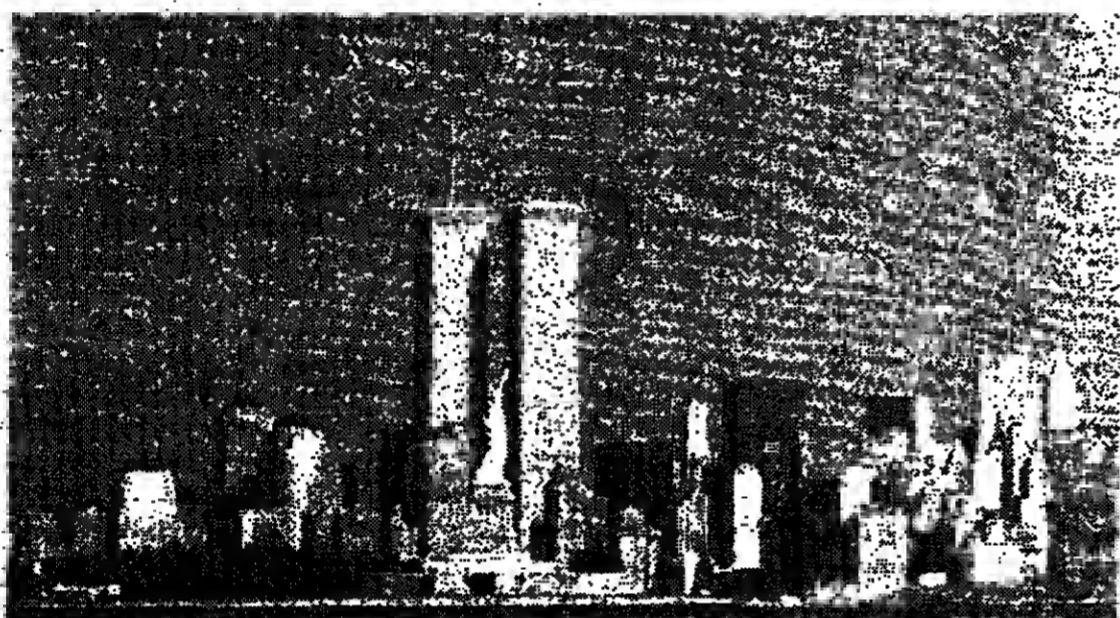
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NEW YORK FASHION

Oscar Stands Fast As Downtown Upstages Uptown

By Suzy Menkes International Herald Tribune

NEW YORK — It was the ultimate downtown fashion scene. Flash bulbs popped over supermodel Kate Moss perched on the lap of transvestite Jaye Davidson. (Check out his nice long skirt.) Next to them was the drag-queen pop star RuPaul. (Catch his naughty short skirt.) Susan Sarandon and her kids were talking among themselves. Everyone else was looking at each other. Todd Oldham's show was a sure-fire hit even before the wild raffia fringes and wildly patterned shorts hit the runway.

Now a little something for the uptown crowd. Oscar de la Renta's ladies lined up six deep: Nan Kempner rubbing Oscar-clad shoulders with Betsy Bloomingdale; Ivana Trump at the front; Annette de la Renta way back; Barbara Walters peeking out from behind Pat Buckley's head. It was the same old crowd, but a good one. It was also the only one.

The hidden agenda in this New York fashion season is the retreat of uptown style. Fashion seems to mirror the issues in New York's close-fought mayoral election. The middle-class flight from Manhattan means few upscale clothes.

Against the fragmented and frenetic reality of New York, Bill Blass's show seemed soothing and reassuring. Without creating any fashion waves, Blass gave a classy show, softening the firm lines of tailoring with a puff sleeve here or a layer of lace or tulle over a regular jacket or a waif of organza coat over a pin-striped suit. The effect of this, and of a vest or a sweater paired with a wisp of chiffon, was of Blass hanging on to normality in a shifting fashion scene. But with his command of technique, he also showed that he could soften up, making voluminous crepe cutouts at the hem and flowing dresses in the back.

Over to de la Renta's show was a show of muscle, but oh-so-discreet. Everything was pared down: not a collar to disturb the clean neckline; not a flounce to fancy up the skirt. Instead a touch of Moroccan decoration — the scroll embroidery found on caftans — ran around neck, front and wrists of simple jackets or elongated tunics

over pants that also had a vaguely exotic feel. De la Renta made a good job of going with fashion's new flow, even if the Moroccan theme made it a one-note show. The look came into its own for vacation clothes, as a long shirt tunic, split open at the sides, floated over pajama pants. Colors were on the spicy side with saffron darkening to curry and dark flower prints on ruffling silk. The show began and ended with white outfits in underline the new simplicity.

"I like a little bit of the exotic," de la Renta said after the show, "but I live uptown."

WHO will inherit the mantle of New York's big-name designers and dress the daughters and granddaughters of yesterday's uptown girl? Christian Francis Roth might do it, if only he could let his tudy tailoring grow up — or perhaps grow down, so that the handkerchief-point skirts that were a theme of the show covered more than the upper thigh. Roth is a good tailor, so his suits are nicely finished, cute and clean — a contrast to the grungy flimsiness of the downtown styles. Roth underscored his interest in technique by making a jacket and a dress with the markings (in French) that couturiers make on a canvas toile.

The empowerment of women is also an issue in modern America. Byron Lars reflected that in a witty, wacky way by modeling his fashion on Emma Peel of the "The Avengers" and any other heroine who flaunts her sex and totes a gun. His fashion message was about taking a man's shirt and sexing it up, so that a shirt with full-sleeves, caught in at the elbow, appeared over a stretch of leg in lace hose; or a shirt was tied and ruffled as a baby-doll dress. The show didn't quite come off, but it was gutsy to take on current female attitudes.

What does it say about American women (who think it insulting to be called girls) that the baby-doll dress seems to be the symbol of young designers? Nicole Miller sent tiny slip dresses in gauzy fabrics and gaudy colors swinging out thigh high above hold-up stockings. The British company Ghost had the same Lolita look, complete with matching panties, although



De la Renta's jacket and tunic with Moroccan motifs.

the show was really about long layers in wisp fabrics.

Oldham's show was a lot of fun — if you like to see supermodels giving their all in spidery web bra tops and skimpy shorts and prints that turn kitsch into an art form. Oldham's clothes are not anything new, but the designer has that essential modern fashion ingredient: attitude.

The prints were lunny and witty — postcard views of and Arizona

or nuts and bolts laid out in black on white. A toothed bracelet turned into a hair comb so that a model could rake her coiffure on the runway. Printed boots met truncated hemlines around mid-thigh. There were straw fringes and witty program notes that dubbed the outfit "scare-a-crow dress." In a city where Seventh Avenue fashion takes itself very seriously, Oldham's shows — even if the formula is familiar — provide light relief.

HEALTH / SCIENCE

Family Ties: Is It All in the Brain?

By Boyce Rensberger Washington Post Service

WASHINGTON — Early in this century, discoverers of the chemical basis of life liked to say that thought is just a secretion of the brain.

Eager to depose the ancient view that life springs from a supernatural "vital force," these researchers claimed instead that even the most human of behaviors — the ability to reason, say, or to love — would someday be explained through the mechanisms of molecules and cells.

Those early "mechanists" would be delighted with a burgeoning new field of research that shows there is indeed a physiological basis for behaviors such as monogamous bonding of male and female and parental nurturing of the young — at least among nonhuman mammals.

Scientists at several institutions, working mainly with mouse-like voles, have found that family ties depend critically on the ebb and flow of specific chemicals in the brain. Perhaps not surprisingly, one way the brain is prompted to make these molecular mediators of social devotion is through sexual stimulation.

When these substances are produced naturally (or injected into the brain by researchers), they cause prairie voles to become pair-bonded quickly. And when blocking chemicals are given, preventing the hormones from reaching their targets in the brain, the animals remain unbonded.

"We all find it easy to accept the idea that there is a physiological basis for sexual behavior," said C. Sue Carter, a vole researcher at the University of Maryland at College Park. "Now we're finding there is a physiology of monogamy in voles, and it's easy to see parallels to humans."

Two chemicals, both made in the brain's pituitary gland, have been found to play key roles in vole social behavior: the hormone oxytocin and vasopressin, which are present in all mammals. They are very small protein-like molecules called peptides; although almost identical, they play very different roles in the body.

Obstetricians have long known, for example,

that oxytocin in the bloodstream stimulates uterine contractions at birth and milk production in the breasts. A synthetic version is given to induce labor.

Vasopressin, also called antidiuretic hormone, regulates blood pressure by constricting blood vessels and acts on the kidneys to reduce the amount of water extracted from blood to make urine. Doctors give it to control some forms of internal bleeding and bed-wetting.

Only recently, however, have scientists discovered that these chemicals also act within the brain to influence behavior. In one study, for example, injections of oxytocin made ovulating female rats more eager to mate, causing them to spend more time swaying their backs to "present" their genitals to male rats. Mober rats

ful bond is formed, apparently triggered by the sex act itself, which stimulates release of oxytocin and vasopressin. A mated vole couple also stops being friendly to other voles, and the males, especially, become hostile to outsiders.

"It is a very sudden, very dramatic transition," said Thomas R. Insel, who experiments with voles at a National Institute of Mental Health laboratory in Poolesville, Maryland. "Before mating these guys are your typical Walt Disney animals, friendly to everybody. After mating, they turn vicious." Dr. Insel interprets the behavior as "mate guarding."

The transition also alters tissues. A virgin female does not come into heat or begin pace ovulate until she detects the pheromones of a mature, unfamiliar male. Within a day comes into heat and begins a frantic day or two of half sex, mating every 45 minutes on average. The sex stimulates her to ovulate.

Afterward the two are bound for life. Parental care becomes nearly inseparable, often sitting side-by-side. When the young are born, the male acts as active a parental role as the female.

Researchers have established that oxytocin levels soar during the mating period. The hormone is essential has been proven in experiments that show pair bonding fails to take place if the female is simultaneously given a drug that blocks oxytocin from binding to receptors for certain brain cells. When the right molecule binds to a receptor, it activates processes within the cell.

Working with Dr. Carter and Dr. Insel, James R. Williams found that an injection of oxytocin into the brain could cause a female vole to form an attachment to a male with whom she had mated but who was simply a cage-mate. (Injecting into the bloodstream doesn't work because the hormone cannot cross the so-called blood-brain barrier.)

Dr. Insel and colleagues, including James Winslow and Dr. Carter, reported in the journal Nature that vasopressin plays a comparable role in male prairie voles. The group's experiment found that, as with oxytocin, a vasopressin blocker prevented males from bonding with female with whom they mated. It also prevented the subsequent aggressiveness to other males. Female chief

Scientists working with voles have found that bonding depends on the ebb and flow of chemicals.

Among children in school, learning and self-esteem may suffer as they fall behind in academic skills and physical pursuits that require good binocular vision.

To rectify this situation, the American Academy of Pediatrics will soon publish new guidelines for children's eye exams.

The academy has for years recommended that infants be examined for visual deficiencies and eye muscle imbalances during the first six months of life, and that regular vision screening be started in the preschool years.

Preliminary checkups can be done by pediatricians or family care specialists, but when a potential problem is found the child should see an eye care professional, preferably an ophthalmologist, ideally a pediatric ophthalmologist.

Even though an infant cannot read an eye chart, the pediatrician using an ophthalmoscope can get an approximation of how well the baby sees and, even more important, whether the baby has a vision-impairing problem like cataracts (which can be present at birth), scarring on the surface of the eye, a congenital malformation of the eye or an eye muscle problem that prevents both eyes from working together.

When eye muscle problems go undetected or are detected but not corrected before the age of 6, the child may become functionally blind in one eye, a condition called amblyopia.

Parents who resist treatment because they

think their child will outgrow a problem crossed eyes or lazy eye may end up leaving the child to a life of monocentric vision.

Dr. Jane Kivlin, a pediatric ophthalmologist in Milwaukee, said that three months or, 8.9 full-term birth, "a baby should have eye (AP) eyes and should be looking at you intently pupil dilation." Looking through an ophthalmoscope, a million at a million can examine the retina and tell what (AP) light is equally reflected from both eyes. I bank-eye is significantly worse than the other (AP) brain will block the image from the poorer eye also resulting in amblyopia.

This vision problem can be detected and corrected within the first six months of life. Vital visual skills like focusing, gauging distance on following text on a page are not test in typical in-school screenings, and problems in these areas may go undetected until the fourth or fifth grade, when textbook type gets smaller.

CHILDREN born with visual impairments are not likely to complain about them because they have no reference point that tells them they do not see as well as other people do.

Dr. Robert Gross, a pediatric ophthalmologist in Fort Worth, Texas, who has helped develop the new guidelines for pediatricians, said screening tests for visual acuity should start at the age of 3 and be repeated annually well into the elementary grades.

Key Steps to Checking Child's Vision

By Jane E. Brody New York Times Service

NEW YORK — Most of what children learn about the world they learn through their eyes. Yet the eyes are often sadly neglected, and for lack of proper care, well-timed eye exams, correctable visual difficulties in infancy, say, as preschoolers are missed until they are well into the elementary grades or beyond.

One child in four has a vision problem that would show up readily in a professional eye exam, and one child in five needs eyeglasses. Parents are often lulled into a false sense of security after their children "pass" a school eye chart exam. In fact, as many as 70 to 80 percent of problems are undetected by this useful but limited test.

Dr. Walter Fierston, a pediatric ophthalmologist in Pasadena, California, estimated that "of all children with correctable eye problems, between 10 and 15 percent of those in the upper socioeconomic groups and as many as 50 percent in the lower socioeconomic groups have not been diagnosed."

But even if only a small percentage of affected children were missed, it would have serious potential consequences. In some cases, failure to detect and correct eye problems in preschoolers results in permanent visual impairment.

BOOKS

THE MOLE PEOPLE: Life in the Tunnels Beneath New York City By Jennifer Toth. 267 pages. \$19.95. Chicago Review Press.

Reviewed by Jim Dwyer

A FEW years ago, when Jennifer Toth was a graduate journalism student in New York, she tutored kids in Harlem. One day, a 10-year-old girl casually mentioned the weird life of a classmate, Julie, who was very different: Julie lived in a tunnel with her family.

"She nobody's friend," the girl told Toth. "She dirty all the time, and she be stinky, too. She be one of them mole people."

For the next year, that spark of a story led Toth beneath the city of New York in search of nobody's friends.

Now, meet "The Mole People," the men, women and children Toth found and heard about during her explorations in the dark sub-world of New York. The island of Manhattan is nearly as dense below ground as it is above. And as valuable as the sky-scraping real estate is, it would be worthless without the underground honeycomb of subway tunnels, sewage lines, water mains, steam pipes and electricity conduits that keep the city humming.

Toth went. She wandered among the people whose little villages she could penetrate and found mad-

WHAT THEY'RE READING

Catherine Lalumière, secretary-general of the Council of Europe, is reading "Entre deux mondes" (Between Two Worlds) by Diana Pinto.

"This autobiography is the story of a young woman who has lived both in Europe and in the United States. Looking at these two realities through the same eyes makes it easier to understand their similarities and differences. Formidable!" (Barry James, IHT)

ness, and despair, and many moments of heroism. By my count, she also found fewer than the 5,000 people that she guesses is the true census of the invisible underground. You will have to make do with a few hundred or maybe a thousand in the tunnels.

"The Mole People" is personal journalism, and that much livelier and heartier for the picture formed of a young intern-reporter going where few of her more jaded and well-paid colleagues have dared or bothered to go. Much of it is based on conversations with people using anonymous names in unspecified underground areas and consists of a mixture of the unverifiable, the implausible and the authentic-sounding.

Toth found her richest vein of

little attention to policy issues involving the homeless. New York City spends nearly \$500 million a year on "homelessness," much of that on a few thousand families who already have crumpled through one safety net or another. More difficult are the mentally ill who were evicted from mental hospitals with the promise that 73 community centers were being established for their care. Only 14 were. This is easy to find out, but Toth relies on street yarns for history. Someone told her that the city has an aggressive policy of rousting and committing insane people who live on the street. It has no such policy. The practice began, writes Toth, after a woman named Billie Boggs froze to death on the street just hours before a judge signed her into a psychiatric ward. In fact, Boggs is alive; the state courts ruled she was not a danger to herself or others and could continue to live on the sidewalk.

We also need critical mediation from the author when the stories she relays grow more picturesque. Too often, the reader is left to sort madness from meaning.

A leader of one underground cell tells her that on his last day as a social worker, driven mad by the red tape that prevented him from helping relatively productive. I expect to find the Hope Diamond out there in the street some day. It's dignity that's hard to get.

For all her tattered reporting in the path of Jacob Riis, Toth gives

BRIDGE

By Alan Truscott

NINE years ago Bob and Jill Blanchard of Manhattan began a legal action that induced the American Contract Bridge League to abandon the scheduling of Men's Pairs and Men's Teams.

These traditional events made it impossible for a married couple, or any mixed partnership, to compete, since the parallel events were for Women's Pairs and Teams.

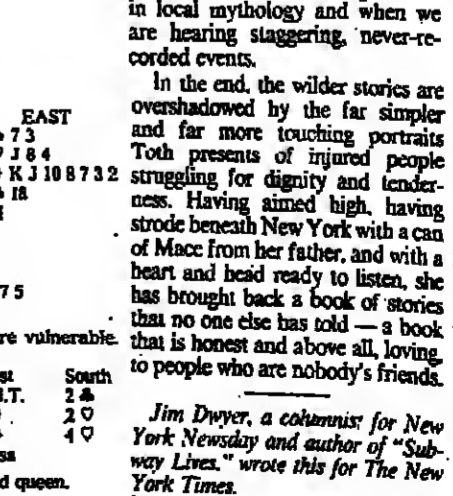
There are no longer any men's events on the calendar at national, regional or sectional level. The regional team event played in October in Kiamasha Lake, New York, would once have been restricted to men. As it was open, it was possible for Sande Boss of Manhattan to win her first regional title, backed by Glenn Milgrim and Jared Liebstein, both of Manhattan, and Lapt Chan of Woodside, Queens.

Milgrim helped his team with fine defense on the diagrammed deal. He found himself defending four hearts after he had opened one spade and his partner had shown great diamond length. The opening lead was the diamond queen and East overtook with the king.

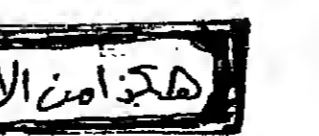
South won with the ace, led a heart and ducked. His aim was to draw trumps and play clubs, eventually discarding spades from the dummy. It was vital, however, to prevent East from gaining the lead with the heart jack, since that would permit a decisive spade play.

A routine diamond continuation by West would have allowed South to succeed, but he made a fine shift to a club, deciding the issue in his favor. South won on his hand and led another trump, permitting West to win another trick. This would have worked if the clubs had been divided evenly, but as it was West

was able to give his partner a club ruff and the defense took two spade tricks for down two.



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# BUSINESS

International Herald Tribune, Thursday, November 4, 1993

## U.S. to Ease Rules for Listing Foreign Stocks

**Compiled by Our Staff From Dispatches**

WASHINGTON — The U.S. Securities and Exchange Commission voted unanimously Wednesday to take several steps to make it easier for foreign companies to sell stocks and bonds in U.S. securities markets.

The new rules were among the first decisions of the commission under Arthur Levitt Jr., its new chairman appointed by the Clinton administration, and followed the relaxations negotiated recently with Germany's Daimler-Benz AG under Richard C. Breeden, Mr. Levitt's Republican-appointed predecessor.

An SEC official said the decision indicated a continuity of policy in the new commission in the area of gradual adjustment of the rules for foreign access to U.S. securities markets.

Among the key changes, the commission will enable foreign companies to file abbreviated reports and another will accept a new international accounting standard for cash flow statements.

Also under the new rules, a foreign company will only have to file financial statements conforming to U.S. standards for two years before the stock can be listed. Under past practice, foreign companies were required to file financial statements for five years.

Over the last year and a half, more than 140 foreign companies from 27 countries entered the U.S. securities markets for the first time, including Daimler-Benz, Yacimientos Petroliferos Fiscales, Shanghai Petrochemical Co. and Alcatel Alsthom SA.

The new measures will mainly involve exemptions from the agency's trading practice rules, which are designed to prevent persons participating in the sale of securities from maintaining or increasing the security's price during the distribution period.

The SEC's new policies were meant to encourage foreign companies with a market capitalization above \$1 billion and daily trading volume above \$5 million to apply for an exemption from the commission's trading rules. The exemption would also apply to trading of a foreign company's shares in its home country while the company was selling stock in the United States.

At its meeting last month, the commission exempted German companies of this size from the trading practice rules. The exemption applied to the 30 companies that are members of the DAX index, the country's stock index based on major blue chips.

But Mr. Levitt said he would not go so far as to consider accepting German accounting standards in order to attract more German companies to list their shares in the United States. "We're not going to do it," he said.

Some German companies and government officials have called on the SEC to waive its rule that all companies listed on U.S. exchanges must file statements based on U.S. accounting standards. Mr. Levitt said that he would instead attempt to work closely with German companies to help them list on U.S. exchanges so that the accounting standards would not be an impediment to listing.

(IHT, Reuters, Bloomberg, APX)

## China's Cool-Down Debate Heats Up

**By Kevin Murphy**  
*International Herald Tribune*

HONG KONG — A leading Chinese industrial group that has served as a showcase for economic reform has been forced to seek emergency funds, a move that analysts said would fuel growing opposition to China's campaign to cool its overheated economy.

Squeezed by government efforts to rein in the economy, the steelmaker Shougang Corp. said it had received an emergency loan to pay its debts, the official Financial News reported Wednesday.

Signs have begun to emerge in China that opposition to the harsh measures imposed to regain control of the economy is growing in advance of a meeting later this month of the Communist Party Central Committee at which a new package of economic reforms is to be announced.

That a model for Beijing's industrial reform policies is suddenly struggling will provide weight to arguments by a growing number of critics that the campaign by Deputy Prime Minister Zhu Rongji to rein in the economy has moved too far too quickly, analysts said.

Mr. Zhu, who is governor of China's central bank, emerged last summer as a sort of economic czar, wielding broad powers aimed at pulling China back from the brink of economic disorder.

First unveiled in July, Mr. Zhu's 16-point plan for tackling high inflation and runaway growth included interest rate hikes, a 20 percent cut in government administrative spending, and the calling in of loans fueling real estate and stock market speculation.

Mr. Zhu has moved more boldly since, announcing massive reforms to China's banking system, changes to its taxation and revenue collection apparatus, and a campaign to fight endemic corruption.

The series of measures are destined to disturb speculators profiting from lax monetary policies and from the devolution of economic decision-making to the provinces.

However, reports invoking comments attributed to China's senior leader, Deng Xiaoping, have brought simmering discontent with Mr. Zhu's program into the open.

Mr. Deng reportedly said recently, "Only speedy development passes the rigorous test of reason." But few analysts could say whether the message was directed at Mr. Zhu's program, or at conservative forces seeking to delay reforms aimed at rebuilding central control while freeing individual businesses from a planned economy.

"The austerity drive seems to be hurting a number of special interests in China," said Vincent Chan, senior economist at Peregrine Brokerage Ltd. "Working capital conditions are now very tight but I don't see any economic reasons for a letup now. But maybe what Zhu wants is not possible politically right now."

With steel stockpiles mounting in response to a sharp downturn in new construction activity—a vital goal in Mr. Zhu's austerity drive—and its own debtors unable to pay bills worth 3.6 billion yuan (\$630 million), Shougang borrowed 400 million yuan from a consortium organized by the central People's Bank of China, Bloomberg Business News reported Wednesday.

The loan equals the estimated value of See BEIJING, Page 13

**A steelmaker's woes lend weight to arguments that Beijing is going too far in its effort to reign in the economy.**

Maanshan's gain was not reflected on the Hong Kong market, however, where prices tumbled on rumors that Britain's Cable & Wireless PLC may reduce its controlling stake in Hong

had successful offerings. Indeed, three of the four companies that have listed in Hong Kong since this summer are trading at about 90 percent over their issue price.

"This is only the beginning for Maanshan. There's a lot more upside left in the stock even if it drops a little bit tomorrow. Relatively speaking Maanshan is cheap at the cost," said Ben Kwong, analyst at G.K. Goh Securities.

Chinese A shares, reserved for mainland China investors, will be issued in the next couple of weeks, according to Wang Xiu Zhi, vice governor of Anhui Province, where Maanshan is based.

The rumors over Cable & Wireless reflect a broader concern that after the recent rise in the Hong Kong market.

"If companies use the market's rise to raise cash then it tends to

## But They're Still Bullish in Hong Kong

**Compiled by Our Staff From Dispatches**

HONG KONG — Shares in Maanshan Iron & Steel Co., the fifth Chinese state-run company to be listed on the Hong Kong Stock Exchange, rose more than 60 percent Wednesday on the first day of trading as foreign investors continued to show strong interest in China.

The company's performance outshined even the most optimistic forecasts. Analysts had expected the shares to trade around 3.50 Hong Kong dollars (45 cents). They closed at 3.65 dollars, up 61 percent from the issue price of 2.25. More than 600 million shares were traded.

Maanshan's gain was not reflected on the Hong Kong market, however, where prices tumbled on rumors that Britain's Cable & Wireless PLC may reduce its controlling stake in Hong

indicate that they may feel the market is overvalued and it also soaks up some of the current liquidity," Mr. Pritchard said.

A Cable & Wireless placement "could push down the whole market's momentum," said Stephen Cheng, assistant manager at Worldwide International.

Cable & Wireless has cut its Hong Kong Telecom stake from over 75 percent in recent years, and some analysts said that if the company wanted to reduce its stake further this would be an ideal time. Telecom stocks in the region are in strong demand following the listing of Singapore Telecommunications.

"Their share price has had a good run, particularly on the back of the Singapore Telecom issue," said Ravi Narain, research director at Peregrine Brokerage. (Bloomberg, Reuters)

coupons as early as December unless the ruling is appealed.

But Clarence Dilow, director of the Center for Auto Safety, a Washington-based consumer group that has been pushing GM and the federal government to recall the trucks, said of the settlement, "Any decision that was reached so fast is clearly wrong, and we expect it to be reversed on appeal."

The consumer group, as well as some truck owners and auto safety organizations, have contended that 10 million full-size GM pickup trucks built from 1973 through 1987 are liable to explode if the trucks are struck from the side in an accident because their so-called side-saddle gasoline tanks are mounted outside the frame rails of the vehicle.

GM, resisting calls for a massive recall of the about 6.3 million sub vehicles it estimates are still in use, says the pickup trucks pose no special hazard.

"GM continues to believe that these full-size pickup trucks have had an outstanding safety record over the past 21 years," Mr. Schutzman said Wednesday.

He said accident statistics confirmed that

the trucks "provide occupant protection in side-impact accidents that is comparable to other full-size pickup trucks of the same vintage and significantly better than smaller pickup trucks and the average passenger car."

The Center for Auto Safety contends that more than 400 deaths and 2,000 injuries have occurred because of the fuel-tank design. The National Highway Traffic Safety Administration, a federal agency, is investigating.

The center earlier filed an objection to GM's proposed settlement in the Philadelphia proceedings.

"The proposed class-action settlement on these pickups gives lawyers millions in fees, give consumers worthless coupons and exposes dealers to personal-injury lawsuits while getting GM off the hook for repairing the trucks," Mr. Dilow said.

"The public, GM and its dealers would be better off if GM would spend its millions on engineers and mechanics to fix the gas tanks than on lawyers scheming up ways to avoid liability."

The center warned GM dealers last week that they faced possible legal liability if they

## Judge Approves GM's Offer in Pickup-Trucks Suit

**Compiled by Our Staff From Dispatches**

MARSHALL, Texas — A U.S. judge approved on Wednesday a proposal by General Motors Corp. to distribute a \$1,000 coupon to each of about 630,000 pickup-truck owners in Texas to settle a class-action lawsuit over the trucks' allegedly hazardous fuel-tank design.

A decision on a settlement covering 5.7 million truck owners in the other 49 states is expected soon, Lee A. Schutzman, a GM attorney, said. The automaker said it was hopeful that a federal judge in Philadelphia would approve that settlement, but an auto-safety group said it would fight to overturn the plan on appeal.

The settlement calls for the Texas owners to receive certificates good for \$1,000 toward the purchase of any new GM truck or Chevrolet light-duty truck, GM said.

GM estimates that anywhere from 35 percent to almost half of the Texas truck owners affected will take advantage of the certificate offer. The automaker said the decision by U.S. District Judge Bonnie Leggat, would clear the way for owners to start receiving the

## German Cabinet Approves Insider-Trading Law

**Compiled by Our Staff From Dispatches**

BONN — The cabinet approved a draft law Wednesday that makes insider trading a criminal offense and provides for a national supervisory authority to monitor German financial markets.

Finance Minister Theo Waigel said the action "represents a quantum leap for Germany as a financial center." He said the law would bring Germany's financial supervisory practices in line with internationally accepted standards.

Germany is the last of the 12 European Community countries to comply with a directive issued in 1989 asking EC members to ban insider trading. But the draft legislation, which still must be approved by parliament, is not expected to become law until the first half of 1994, almost two years after the EC's proposed deadline of June 1992.

The law bars company directors, shareholders and people professionally involved with companies from trading on the basis of any information that is not publicly known and that "could have a considerable influence" on the price of the securities if it were publicly known.

Until now, German bankers, stockbrokers and company officials were bound only by a "gentlemen's agreement" not to engage in insider trades. This was not legally enforceable, and no criminal action could be brought against those who did not comply.

The shortcomings of that approach became clear once again this year when a director of Daimler-Benz AG admitted having bought shares in Mercedes AG Holding just before the board's decision to merge Mercedes and Daimler shares caused the price to surge. The ensuing controversy caused the director, Franz Steinkühler, to leave his job as president of the IG Metall union, even though he denied having acted on insider knowledge.

With financial services having become a major growth sector in Germany, Mr. Waigel said Wednesday, investor confidence is vital for the effective functioning of markets, and "insider deals endanger this confidence."

He said Germany would continue to need foreign capital to finance the reconstruction of the former Communist East Germany.

The law will set up a watchdog body, the federal supervisory office for securities trading, to enforce the

## Ferruzzis Carry Feud To Court

**Compiled by Our Staff From Dispatches**

RAVENNA — Arturo, Franco and Alessandra Ferruzzi initiated moves to sue their sister Idina, the widow of the former Ferruzzi Financial SpA chief, Raul Gardini, for an estimated 2.5 to 3 trillion lire (\$1.5 to \$1.8 billion) in damages, court sources said Wednesday.

The three claim Mr. Gardini mismanaged assets entrusted to him after the death of the company's founder, Serafino Ferruzzi, and are taking action against their sister as the representative of Mr. Gardini's estate, the sources said.

In their notice of legal action, lawyers were highly critical of Mr. Gardini's ability as a manager.

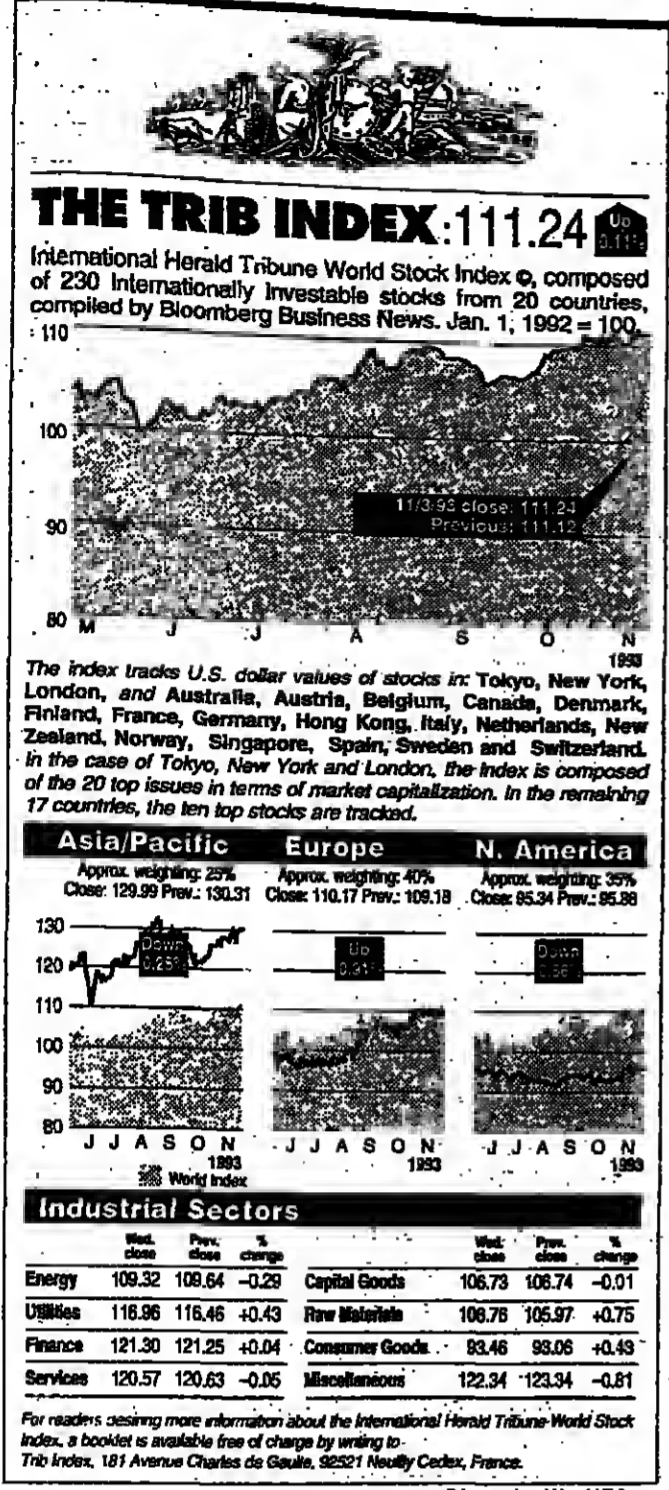
Mr. Gardini, who took charge of the group in 1980, committed suicide in July.

Ferruzzi, an agricultural and chemicals giant, is trying to win approval from creditors, who hold its 30 trillion lire in debt, for a restructuring plan. (AFP, Reuters)

## Strike Halts Saturn Deliveries

Deliveries of GM's Saturn cars to dealers have been halted because of a strike by truckers, Bloomberg reported from Spring Hill, Tennessee.

The strike, by members of Teamsters Local 327 at Transportation Unlimited Inc. in Cleveland, began last weekend over a disputed vote on union representation.



## INTERNATIONAL MANAGER

### Retailers View Logistics As a New Key to Success

**By Stephanie Strom**  
*New York Times Service*

NEW YORK — The latest buzz in the retail industry isn't about hemlines or projections of holiday sales. Instead, retail executives are talking about logistics, the science of moving goods from a manufacturer into a customer's hands in the most timely, efficient and cost-effective way.

The clearest signal that logistics has moved onto center stage came last month when the retail division of Sears, Roebuck & Co. hired Lieutenant General William Pagonis, who managed the military supply chain during the Gulf War, as senior vice president in charge of logistics.

On Friday, Carter Hawley Hale Stores, the West Coast department store operator, announced that it had named Robert Menar, formerly head of its information services division, as executive vice president in charge of logistics.

Recognized as the best way to manage the supply flow to the battlefield and control the accumulation of parts for complex electronic gadgets, logistics is gaining acceptance among retailers as a way to cut costs, improve customer service and maintain inventories.

Retailers are beginning to look at transportation, storage, order processing, distribution, packaging, purchasing, marketing and customer service as interdependent pieces of a pipeline flowing from their suppliers to their customers.

If goods flow smoothly, costs come down and inventory levels can be lowered. At the same time, customer service improves because stores stay stocked and prices may even be reduced if retailers pass on their savings.

"Logistics has always been the stepchild of the retail industry," said William Novak, an executive director at Russell Reynolds Associates, which recruited General Pagonis for Sears. "Now retailers are realizing that it doesn't do you good to have the hottest toy if you don't have it when and where you need it."

Retail supply chains are complex and strewn with pitfalls: Goods must travel from manufacturers to warehouses to distribution centers to stores. Along the way, people are making decisions about how merchandise must travel, what it should travel in, how quickly it must be moved and how it will be stored.

The problem, said Arthur Martinez, chairman and chief executive of the Sears Merchandise Group, is that usually each of those decisions is made independently of the others. He calls that "stovepipe" management. Logistics seeks to link the pieces of the supply line.

## Logistics is gaining acceptance among retailers to cut costs.

Logistics is gaining acceptance among retailers as a way to cut costs, improve customer service and maintain inventories.

## CURRENCY & INTEREST RATES

Cross Rates	Nov. 3	Nov. 3
Antwerp	1.25	1.25
London	1.25	1.25
Paris	1.25	1.25
Frankfurt	1.25	1.25
Madrid	1.25	1.25
Milan	1.25	1.25
New York (12)	1.25	1.25
Panama	1.25	1.25
Porto	1.25	1.25
Tokyo	1.25	1.25
Madrid	1.25	1.25
Barcelona	1.25	1.25
Madrid	1.25	1.25
Madrid	1.25	1.25
Madrid	1.25	1.25

Eurocurrency Deposits	Nov. 3
1 month	3 1/2 - 3 3/4
3 months	3 3/4 - 3 1/2
6 months	3 1/2 - 3 1/4
1 year	3 1/4 - 3 1/2

Key Money Rates	Nov. 3
Discount rate	5.00
Prime rate	6.00
Federal funds	5.25
3-month T-bill	5.25
6-month T-bill	5.25
1-year T-bill	5.25

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**Market Myths and Duff Forecasts for 1993**

The 100 most important market myths have been demystified. Japanese equities are not in a new bull trend. You did NOT load that Full Moon... the iconic investment letter. Call Kyla Phillips for a sample issue (once only) or contact us via our website. London, W1R 7ND, UK. Tel: London 71 439 4951 (071 in UK) or Fax: 71 439 4954.

For further details on how to place your listing contact:  
**PATRICK FALCONER in London**  
Tel: (+44) 71 836 48 02  
Fax: (+44) 71 240 2254  
Herald Tribune

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**Tarek H. Mooro**  
Middle East  
Tel: (41-1) 220 93 97 Fax: (41-1) 220 98 06

to its International Private Banking Division

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P.O. Box, CH-8023 Zurich, Switzerland  
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New York Zurich London Tokyo Frankfurt Luxembourg Milan Chicago San Francisco Sydney Toronto Hong Kong

Sources: IHT Bank (Amsterdam); Reuters (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SOFI); Other data from Reuters and APX.

MARKET DIARY

Blue Chips Tumble As Rates Climb On

NEW YORK — Computer-driven program trading sent stock prices into a tailspin in a crash of trading Wednesday.

N.Y. Stocks

throughout the session. But late in the afternoon, equities turned sharply lower after computer-triggered sell programs kicked in, dumping baskets of stocks in heavy volume.

The Dow Jones industrial average closed 35.71 points lower at 3,661.87. At one point, however, it had lost more than 50 points, setting off the New York Stock Exchange's "upstick rule," which restricts program trading, and relieving some of the pressure to sell.

Decliners outnumbered advances on Wednesday by 3 to 1 while volume rose to 350 million shares from 305 million shares on Tuesday.

Analysts said investors got anxious when it became apparent that electric utility stocks, often considered a leading indicator of the general market, were tumbling across the board.

A chain of recent data have pointed to a stronger U.S. economy, leading to concerns about inflation, a rise in interest rates and a fourth consecutive session of weaker bond markets.

The benchmark 30-year Treasury bond fell Wednesday by 7/8 of a point to close at 101 36/32, while its yield rose to 6.11 percent, the highest since Sept. 21.

Higher rates not only make stocks less attractive but lead to concern that investors may begin pulling out of stock mutual funds, or at least curb their enthusiasm for further purchases.

Among the few advancing issues, drug and health-care stocks gained as Democratic Party losses in state and local elections led traders to think President Bill Clinton may face problems in his bid to pass health reform legislation.

Among leading drug shares, Merck & Co. rose 1/4 to 33 1/2. Pfizer Inc. climbed 1/4 to 63 1/2, and Eli Lilly & Co. rose 1/4 to 55 1/2.

The rise in rates led to a drop for major banks. Citicorp slipped 1 to 35 1/2, and Chemical Bank eased 1 to 29 1/2.

The Deutsche mark also got a lift after the German government said manufacturing orders for West German industry were stronger in September than had been expected.

At the close in New York, the dollar fell to 1.6890 DM from 1.7033 DM Tuesday, and to 102.67 yen from 107.75 yen.

"It looks like the Bundesbank is going to wait a while before they cut rates again," Angelo Evangelista, vice president at Bank of Boston, said.

Some traders had come to expect the Bundesbank to do more to ease monetary policy now that Hans Tietmeyer has taken over as president. The Bundesbank last cut rates Oct. 21, just three weeks after Mr. Tietmeyer took office.

The dollar jumped to an 11-week high against the mark Tuesday after Mr. Tietmeyer said he was not concerned about the mark's recent slide against the dollar and said the Bundesbank had not been selling dollars to bolster the mark.

The market's other theme Wednesday was concern that Friday's U.S. employment report might not live up to expectations for a string of relatively strong recent economic reports have built up expectations about U.S. growth, and anything less than a robust number could send the dollar tumbling, traders said.

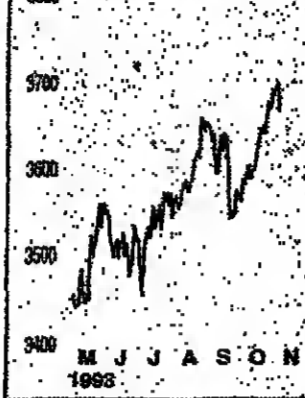
Mr. Evangelista, pointing out that employment has been trailing other signs of growth, said it would take an increase of at least 125,000 nonfarm payroll jobs in October to send the dollar higher. The economy added 156,000 jobs in September.

Against other currencies, the dollar eased to 1.4975 Swiss francs from 1.5035 francs late Tuesday and to 5.9063 French francs from 5.9325 francs. The pound gained to \$1.4845 from \$1.4735.

(Bloomberg, UPI)

The Dow

Daily closings of the Dow Jones industrial averages



M J J A S O N 1988

NYSE Most Actives

Table listing NYSE Most Actives with columns for Symbol, Vol., High, Low, Last, and Chg.

NYSE Most Actives (continued)

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NYSE Most Actives (continued)

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NYSE Most Actives (continued)

Dow Jones Averages

Over High Low Last Chg.

Industrials 3661.87 3661.87 3661.87 -35.71

Standard & Poor's 500 447.17 447.17 447.17 -3.28

NYSE Composite 3661.87 3661.87 3661.87 -35.71

NASDAQ Composite 2254.25 2254.25 2254.25 -18.75

AMEX Stock Index 484.97 484.97 484.97 -3.28

Dow Jones Bond Averages

20 Bonds 114.11 114.11 114.11 -0.14

10 Utilities 113.75 113.75 113.75 -0.14

10 Industrials 113.75 113.75 113.75 -0.14

Market Sales

NYSE 4.4m, volume 330,000,000

AMEX 4.4m, volume 330,000,000

NASDAQ 4.4m, volume 330,000,000

N.Y.S.E. Odd-Lot Trading

Nov. 7 47,271 1,276,906 9,216

Oct. 27 70,100 1,077,166 26,872

Oct. 27 84,771 1,043,543 7,643

S&P 100 Index Options

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EUROPEAN FUTURES

Close High Low Prev. Close

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Stock Indexes

Close High Low Prev. Close

NYSE 3661.87 3661.87 3661.87 -35.71

AMEX 484.97 484.97 484.97 -3.28

NASDAQ 2254.25 2254.25 2254.25 -18.75

S&P 500 447.17 447.17 447.17 -3.28

Dow Jones 3661.87 3661.87 3661.87 -35.71

NYSE Composite 3661.87 3661.87 3661.87 -35.71

NASDAQ Composite 2254.25 2254.25 2254.25 -18.75

AMEX Stock Index 484.97 484.97 484.97 -3.28

# Markets In Sweden Favor New Bank Chief

**Compiled by Our Staff From Dispatches**  
**STOCKHOLM** — Sweden's central bank named Urban Backstrom to a five-year term as its governor on Wednesday, and stock and bond prices rose on the news.

Mr. Backstrom, 39, who will succeed Bengt Dennis, 63, when Mr. Dennis retires at year-end, is a former chief executive of the securities house Censensus Fondkommission and a former chief economist of Prime Minister Carl Bildt's Moderate party.

He now is an undersecretary of state in the Finance Ministry with responsibility for tax, financial and housing matters.

Peter Hagberg, chief dealer at Skandinaviska Enskilda Banken, said the market welcomed the appointment because Mr. Backstrom "knows how the market functions" and has spoken out in favor of interest-rate cuts.

After his appointment, Mr. Backstrom rejected suggestions that he had called for a change in monetary policy.

"I have simply followed the government line and have not had any other view," he said.

In addition, his appointment by the board of the central bank, the Sveriges Riksbank, was not unanimous. Three committee members representing the opposition Social Democratic Party registered reservations about the appointment.

But bond dealers dismissed Mr. Backstrom's disclaimer on interest rates.

"Never mind what Backstrom is saying at the news conference about continuity," one dealer said. "He's going to cut rates faster than Dennis did." He added that the Social Democrats "can live with him" if they win the elections scheduled for September 1994.

In the financial markets, the SX general index of stocks rose after the announcement and closed about 1.5 percent higher on the day. Bond yields, which fall as prices rise, fell 1 to 12 basis points, or hundredths of a percentage point.

(APX, Bloomberg)

**Denmark Cuts Rate Again**  
 Denmark's central bank cut its discount rate a quarter of a percentage point, to 7 percent, its fourth reduction in six weeks. Reuters reported from Copenhagen.

# Hungary's Entrepreneurial Harvest

**By Henry Copeland**  
*Special to the Herald Tribune*  
**DOROGSE, Hungary** — Last December, Sandor Ember quit his engineering job in Budapest to build a winery here on chalky slopes north of Lake Balaton. Now Mr. Ember is using his BMW to shuttle unemployed villagers to harvest the grapes he hopes will yield 150,000 bottles of wine next spring.

The venture requires optimism, even bravery. Hungarian farmers have suffered a series of misfortunes that would make even Job wince. Two successive record droughts, slashed energy subsidies, and the evaporation of the East bloc's ready reservoir of buyers have withered production.

As the collective and state farms that controlled 80 percent of land here go broke or are broken up, many rural communities resemble antihills upturned by a free market shovel.

Amid this chaos, a growing number of entrepreneurs like Mr. Ember are staking a claim to Hungary's fallow fields and vacant warehouses, making gourmet products that range from wild rice to cheese. Between 1985 and 1992, the number of private corporations active in agriculture here increased from 55 to 1,498, according to a survey by the Organization for Economic Cooperation and Development.

The success of these ventures will be crucial, both for villages where no other work exists, and for Hungary, which relies on agriculture for one-quarter of exports.

Paid only 700 forints (37) a day, some of the workers harvesting Mr. Ember's grapes gripe that they should be paid at least 100 forints more. The kerchiefed woman running the crew retorts: "Work is work, and money is money. And time — we have enough time."

Eighty percent of the people in their village have no job, she says.

Agricultural workers now make up nearly half of the country's 600,000 unemployed, according to government statistics.

Even as Mr. Ember's grapes arrive from the vineyards, other workers are erecting six huge stainless steel tanks to hold the new wine. To build his as-yet unnamed winery, Mr. Ember raised about \$50,000 from friends and borrowed an additional \$100,000 at 13 percent, a government subsidized privatization rate about half of inflation.

With similar panache but a lot less cash, Soma Zemplenyi began making cheese from sheep's milk four years ago after tasting a sample brought from Switzerland. Then a 24-year-old engineering student, Mr. Zemplenyi decided he would produce the cheese commercially in Hungary. No one else was.

He went to villages to learn his trade. "The best was to find the really old people, older than 70 years old, who still knew how to do it."

"When I started, I brought the sheep's milk one day, made cheese the next two days, and then sold cheese the rest of the week," he said. Today he has six employees and sells 500 to 800 kilograms (1,100 to 1,800 pounds) of his cheese weekly to hotels and shops.

In a warehouse in the dusty town of Kisjuszallas, about 120 kilometers east of Budapest, workers are processing Hungary's fourth crop of wild rice. Soon nine tons of rice

soaked in ice water will arrive, air-freighted from the United States, to seed 600 hectares for next year.

Miklos Molnar, who left Hungary for California in 1956, returned on a visit in 1989 and discovered thousands of hectares of fallow white rice fields, with sluices and vadolets still intact. Mr. Molnar imported two Minnesota wild rice experts who taught local farmers how to grow the gourmet crop.

Next year's anticipated 150-ton harvest is a fraction of total world production of 10,000 tons, but will represent a significant portion of the 1,000 tons bought in Europe, says Mr. Molnar's son Peter, who oversees operations here.

Although land and labor costs are about one-tenth of those in North America, Peter Molnar said, American subsidies mean Hungarian wild rice costs about the same wholesale, approximately \$4.50 a kilogram. But with no European competition, the company avoids tariffs and halves the shipping cost — about 40 cents a kilogram from North America.

Like other former East bloc products seeking to enter Western markets, Hungarian wild rice has had to shed socialism's reputation for mediocrity. After two years of cultivation, the Molnars sold only 5 tons of rice grown. But this fall, one European buyer bought the entire 55 ton crop and contracted to buy next year's entire planting.

Mr. Ember hopes he can do as well with his wine.

Mr. Ember's predecessors favored grape varieties that were high yielding and ripened early. Taste was no object, since the Russians paid the same price for all wine, good or bad.

To buying vineyards, Mr. Ember passed up hills filled with grapes called "1,000 Clusters" and "Juliette 70" — named for a Stalin birthday — and grabbed plots bearing chardonnay and merlot grapes.

## State-controlled agriculture has withered, leaving the fields to private firms willing to gamble.

## BEIJING: DAIMLER: Big Loss, Big Move

**Continued from Page 1**  
 Formula One racing since 1955. Daimler had been accused of neglecting Mercedes in recent years as it embarked on a costly diversification into aerospace and defense technologies.

"The concept is symbolic of a new dynamism," said Mr. Haug. But Mercedes's return bears the mark of recession.

"We want to stress that it is in cooperation with another firm," Mr. Haug said.

Mercedes said it would jointly manufacture an engine with the British firm Ilmor Engineering and would work with the Swiss racing team owned by Peter Sauber in the Formula One series. On the Indy-Car circuit, Mercedes will work with the American team owned by Roger Penske.

Mercedes plans to buy a 25 percent stake in Ilmor from the Chevrolet division of General Motors

# Akzo Soars As Net Tops Forecasts

**Compiled by Our Staff From Dispatches**  
**AMSTERDAM** — Akzo NV, the Dutch chemical company, reported on Wednesday a net profit for the third quarter before extraordinary items of 168.9 million guilders (\$85.7 million), up 4.2 percent from a year ago but considerably higher than most analysts' estimates.

The better-than-expected showing prompted a rush of buy orders, largely from U.S. customers, which lifted the stock 7.4 percent to 194.30 guilders, and caused a number of analysts to revise their estimates for the year.

Analysts, who had widely expected a figure in a range between 120 to 130 million guilders, said that Akzo had shown resilience to Europe's recession-ridden economies, had improved its performance in North America and the Far East, and was benefiting from a drive to cut costs.

Peter Schouten, an analyst with the broker CLN Oyens & Van Eeghen, who upgraded Akzo to a "buy" recommendation from "hold," said the company's restructuring "had a tremendous effect on profitability."

Akzo said that profit in the quarter excluding extraordinary items fell 50 percent from a year ago, to 113.9 million guilders. This figure included a charge of 55 million guilders for divestments.

(Reuters, APX, Bloomberg)

Exchange	Index	Wednesday Close	Previous Close	% Change
Amsterdam	CBS Trend	140.00	137.70	+1.67
Brussels	Stock Index	7,091.98	7,064.30	+0.39
Frankfurt	DAX	2,094.36	2,095.58	-0.54
Frankfurt	HEX	603.70	602.69	+0.13
Helsinki	HEX	1,607.73	1,569.43	+2.44
London	Financial Times 30	2,383.60	2,387.20	-0.15
London	FTSE 100	3,162.30	3,164.10	-0.06
Madrid	General Index	307.47	308.46	-0.32
Milan	MIB	1,276.00	1,278.00	-0.16
Paris	CAC 40	2,171.16	2,169.71	+0.07
Stockholm	Alfarsvaerden	1,728.19	1,717.12	+0.64
Vienna	Stock Index	462.09	463.78	-0.38
Zurich	SBS	937.60	932.69	+0.53

Sources: Reuters, APX  
 Information: Herald Tribune

## Very briefly:

- BASF AG and Imperial Chemical Industries PLC broke off talks on the sale of BASF's West European acrylates operations to ICI. Talks on BASF's acquisition of ICI's West European polypropylene business will continue, the companies said.
  - Swiss Bank Corp. said it expected its gross operating profit to increase by about 20 percent in 1993. In September, it said its first-half net profit nearly doubled to 719 million Swiss francs (\$478 million).
  - BAT Industries PLC said its third-quarter pretax profit rose 8.6 percent, to £455 million (\$673 million) from £419 million a year earlier, after substantial gains in its financial services and insurance businesses.
  - Lounho PLC said its South African subsidiary Drifker Exploration Ltd. would buy the entire Eastern Transvaal coal interests for 70 million South African rand (\$21 million) from the Italian company App Spa.
  - MAN AG, the German truck manufacturer, said its sales in the first quarter ended Sept. 30 fell 12 percent from a year earlier, to 3.2 billion Deutsche marks (\$1.8 billion), and that it would cut 2,000 to 3,000 of its 58,400 employees by the end of June.
  - Spain's two biggest trade unions have called for two 24-hour strikes, on Nov. 9 and Nov. 19, at all SEAT SA plants to protest 9,000 job cuts resulting from plans to stop car production at the Zona Franca plant.
  - France's gross domestic product may shrink by only 0.7 percent this year, rather than the 0.8 percent forecast by the government in September, Finance Minister Edmond Alphandery said.
  - Germany had a current account deficit of 7.4 billion Deutsche marks (\$4.35 billion) in August, compared with a deficit of 8.5 billion DM in July, the federal statistics office said.
  - Lafarge Coppée SA of France said 20 percent of Perimoser Zementwerke AG, Austria's largest cement maker, would be placed with international and domestic shareholders to boost Perimoser's liquidity.
  - Fiat SpA said its Iveco SpA unit and Karl Kaesbolzer Fahrzeugwerke GmbH had signed an agreement for the joint design and production of a range of urban buses beginning in 1995.
  - J. Sainsbury PLC, the British supermarket chain, said its first-half earnings rose 11 percent as a result of price competitiveness and cost controls. It said pretax profit rose to £434 million (\$642 million) in the first half ended Sept. 26, from £391.1 million a year earlier.
- (Reuters, Bloomberg, APX)

# NASDAQ

**Wednesday's Prices**  
 NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12-Month High	Low	Stock	Div	Yld	PE	52-Week High	Low	Latest Clse	12-Month High	Low	Stock	Div	Yld	PE	52-Week High	Low	Latest Clse
120	100	Alcoa	1.00	4.0	15	120	100	110	100	80	IBM	3.00	4.0	15	100	80	110
150	120	Boeing	1.50	4.0	15	150	120	140	120	100	Microsoft	0.00	4.0	15	150	120	140
200	150	General Electric	1.00	4.0	15	200	150	180	150	120	Oracle	0.00	4.0	15	200	150	180
250	200	Johnson & Johnson	1.00	4.0	15	250	200	230	200	150	Wal-Mart	0.00	4.0	15	250	200	230
300	250	Merck	1.00	4.0	15	300	250	280	250	200	Yield	0.00	4.0	15	300	250	280
350	300	Pfizer	1.00	4.0	15	350	300	330	300	250	10-Year	0.00	4.0	15	350	300	330
400	350	Roche	1.00	4.0	15	400	350	380	350	300	20-Year	0.00	4.0	15	400	350	380
450	400	Schering-Plough	1.00	4.0	15	450	400	430	400	350	30-Year	0.00	4.0	15	450	400	430
500	450	Schwarz	1.00	4.0	15	500	450	480	450	400	10-Year	0.00	4.0	15	500	450	480
550	500	SmithKline Beecham	1.00	4.0	15	550	500	530	500	450	20-Year	0.00	4.0	15	550	500	530
600	550	Solvay	1.00	4.0	15	600	550	580	550	500	30-Year	0.00	4.0	15	600	550	580
650	600	Upjohn	1.00	4.0	15	650	600	630	600	550	10-Year	0.00	4.0	15	650	600	630
700	650	Wyeth	1.00	4.0	15	700	650	680	650	600	20-Year	0.00	4.0	15	700	650	680
750	700	10-Year	0.00	4.0	15	750	700	730	700	650	30-Year	0.00	4.0	15	750	700	730
800	750	20-Year	0.00	4.0	15	800	750	780	750	700	10-Year	0.00	4.0	15	800	750	780
850	800	30-Year	0.00	4.0	15	850	800	830	800	750	10-Year	0.00	4.0	15	850	800	830
900	850	10-Year	0.00	4.0	15	900	850	880	850	800	20-Year	0.00	4.0	15	900	850	880
950	900	20-Year	0.00	4.0	15	950	900	930	900	850	30-Year	0.00	4.0	15	950	900	930
1000	950	30-Year	0.00	4.0	15	1000	950	980	950	900	10-Year	0.00	4.0	15	1000	950	980

# NYSE

Wednesday's Closing  
Tables include the nationwide prices up to  
the closing on Wall Street and do not reflect  
late trades elsewhere. Via The Associated Press

12 Noon  
High Low Open Close

Symbol	High	Low	Open	Close
IBM	115.25	114.75	115.00	115.00
MSFT	42.50	42.00	42.25	42.25
ORCL	38.75	38.25	38.50	38.50
INTL	10.50	10.25	10.37	10.37
DIS	28.75	28.50	28.62	28.62
WMT	25.50	25.25	25.37	25.37
AMZN	18.75	18.50	18.62	18.62
GOOG	115.25	114.75	115.00	115.00
MSFT	42.50	42.00	42.25	42.25
ORCL	38.75	38.25	38.50	38.50
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150 من الأصل

# NYSE

Wednesday's Closing  
Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

12 Month	High	Low	Close	Change
ABC INVESTMENT & SERVICES CO (I.C.)	13.34	13.34	13.34	0.00
ABC INVESTMENT & SERVICES CO (I.C.)	13.34	13.34	13.34	0.00
ABC INVESTMENT & SERVICES CO (I.C.)	13.34	13.34	13.34	0.00
ABC INVESTMENT & SERVICES CO (I.C.)	13.34	13.34	13.34	0.00
ABC INVESTMENT & SERVICES CO (I.C.)	13.34	13.34	13.34	0.00

12 Month	High	Low	Close	Change
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ABC INVESTMENT & SERVICES CO (I.C.)	13.34	13.34	13.34	0.00
ABC INVESTMENT & SERVICES CO (I.C.)	13.34	13.34	13.34	0.00
ABC INVESTMENT & SERVICES CO (I.C.)	13.34	13.34	13.34	0.00
ABC INVESTMENT & SERVICES CO (I.C.)	13.34	13.34	13.34	0.00

12 Month	High	Low	Close	Change
ABC INVESTMENT & SERVICES CO (I.C.)	13.34	13.34	13.34	0.00
ABC INVESTMENT & SERVICES CO (I.C.)	13.34	13.34	13.34	0.00
ABC INVESTMENT & SERVICES CO (I.C.)	13.34	13.34	13.34	0.00
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## FREE TIME: Unpaid Vacation Urged to Ease German Unemployment

Continued from Page 1  
and delayed retirement are in a boom.

Two leading unions rejected Mr. Rexrodt's proposal. "Germany is not a banana republic," scoffed Michael Genrich, a board member of the DGB federation of German unions. "It is a highly industrialized country."

The OETU union of transport workers also denounced the idea. Mr. Rexrodt defended his proposal later Wednesday in a broad-

cast interview. "Because we are in a recession and companies need to increase productivity, whoever wants to defend his current pay has to work more," he said. "Whoever is willing to accept lower pay, of course, can work less."

The debate over job-sharing initiated last week when Volkswagen told its German work force to accept a 20 percent reduction in hours worked and wages or face widespread layoffs, has been welcomed by unions and government

participants in the debate were panicking, trying to show how flexible they are, but they don't care what direction things go.

Unions have long fought for a reduction in the number of hours worked, but balk at the idea of taking an equivalent cut in pay. A 20 percent cut in pay for VW employees would backfire in fewer purchases of VW cars by the people who make them, one union leader noted.

As the debate steps up, however, a growing number of people who have joined in are getting cold feet. Stefan Schneider, chief economist at Nemura Research Institute in Frankfurt, said that some of the

—BRANDON MITCHNER

### ADVERTISMENT

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Nov. 3, 1993

Quotations supplied by funds listed. Not most values quotations are supplied by the funds listed with the exception of some quotes based on some prices. The symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (bi) - bi-monthly; (q) - quarterly; (tr) - twice weekly; (m) - monthly.

Fund Name	12 Month	High	Low	Close	Change
ABC INVESTMENT & SERVICES CO (I.C.)	13.34	13.34	13.34	13.34	0.00
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ABC INVESTMENT & SERVICES CO (I.C.)	13.34	13.34	13.34	13.34	0.00
ABC INVESTMENT & SERVICES CO (I.C.)	13.34	13.34	13.34	13.34	0.00
ABC INVESTMENT & SERVICES CO (I.C.)	13.34	13.34	13.34	13.34	0.00

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Norway N.Kr.	3,500	36	1,900	1,050
Portugal Esc.	47,000	36	26,000	14,000
Spain Ptas.	48,000	24	26,500	14,500
- hand deliv. Madrid	65,000	12	27,500	14,500
Sweden (armst) S.Kr.	3,100	34	1,700	900
- hand delivery S.Kr.	3,500	28	1,900	1,000
Switzerland S.Fr.	610	44	335	185
Rest of Europe, N. Africa, former French African, Middle East \$	630	-	345	190
Gulf States, Asia, Central and South America \$	780	-	430	235
Rest of Africa \$	900	-	495	270

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A Special Report

# Banking and Finance in France

## Chip Outsmarts Thieves France Takes Lead in Bank-Card Security

By Philip Crawford

PARIS — With bank-card fraud a growing concern amid a global society that uses plastic nearly as often as cash to make purchases, France is emerging as the international leader in fraud-preventing systems and technology.

The key to France's success, say experts, is the initiative undertaken six years ago by French banks, now complete, to equip every newly issued bank card with a *puce*, or microchip, which significantly thwarts the usability of cards that have been stolen or lost. Since 1991, when the number of chip-carrying "smart" cards increased to more than half of all French bank cards in circulation, fraud in France has decreased about 36 percent, from 467 million francs (\$80 million) to an estimated 300 million francs in 1993. Today, roughly 70 percent of all bank-card purchases in France — and nearly all teller machine (ATM) withdrawals — are made with smart cards.

By contrast, fraud in the United Kingdom reached £165 million (\$247 million) in 1992, up from £60 million in 1989, and annual bank-card fraud in the United States is estimated at more than \$1 billion. While the number of cards in circulation and the volume of purchases and ATM withdrawals in these markets may be higher than in France, note analysts, France is still the international leader in reducing domestic fraud in proportionate terms. Moreover, the systems and technology by which French banks have seen the "carte à puce" program through to fruition are being increasingly explored by non-French banks and payment services organizations seeking to emulate the French results.

"The situation in France has improved significantly, especially this year, and the success is apparently linked to the chip," said Guido Heyns, an executive at Euroym International in Brussels, which markets the Eurocard and MasterCard brands names in Europe. "The only way to attack the technology, assuming one does not know the personal identification number of a stolen or lost card, would be to tinker with the chip itself, which few criminals have the capacity to do. We think the chip card is the way forward, and it is part of our future strategy."

Wynne Evans, an official of the London-based Association for Payment Clearing Services (APACS), a trade group for U.K. banks and building societies, said the smart card was one of several technological solutions being examined by British bankers to combat the fraud problem. "One of the things the chip does is set up a situation in which the technology, not a human being, makes the decision as to whether a card is accepted or rejected," he said. "That's the way we want to go."

The roots of the smart-card program in France go back to the mid-1980s, when French bankers began to study the possibility of embedding a microchip, partly developed by French computer maker Groupe Bull, onto bank cards. At that time, French cards utilized the same type of technology that is still prevalent throughout most of the world: a magnetic stripe attached to the back of the card, which contains coded information identifying its proper user. Motivation for the program was provided by the high degree of bank-card fraud in France, which itself was related to a national trend away from checks and toward the debit

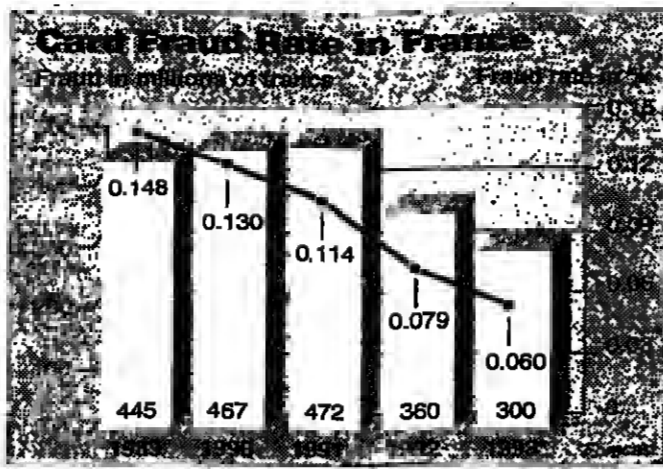
card as the main mode of noncash payment.

Most bank cards in France are still debit cards, which, in effect, deduct electronically the amount of a purchase from the card holder's bank account. The concept of a "credit" card with a revolving credit line, which remains the norm in the United States and the United Kingdom, is in a relatively early stage in France.

"It wasn't until 1987 that we started to envisage seriously putting the chip on all bank cards," said Max Anriol, chief executive of Groupe des Cartes Bancaires, formed in 1984 as a trade organization for French banks. "But we had problems with the compatibility of cards and terminals which were being used at the point of sale. We had to stop the program, review it, and relaunch it in 1990, that time with much better results."

PRESENTLY, the chips for French bank cards are manufactured by the French electronics concern Thomson CSF and by U.S.-based Motorola Inc. The software contained on the chips is produced by Groupe Bull and by T. R. T., the French telecommunications company. Most of the terminals that receive the card and provide initial payment processing are made by Dassault Electronique S.A., which specializes in electronic automation systems.

Just how does the chip technology better that of the magnetic stripe in a retail store or restaurant environment? The key is the four-digit personal identification number (PIN). A lost or stolen magnetic-stripe card can be used by anyone able to execute a rough forgery of the card owner's signature, even if the validity of the card itself is electronically



Source: Groupement des Cartes Bancaires CSF

authorized "on line" at the point of sale. Bankers lament, moreover, that few retailers bother to scrutinize signatures for fear of insulting customers.

In France, however, virtually all establishments that accept bank cards have a portable terminal equipped with a keyboard on which the card owner types in his or her PIN, which is unknown even to the card-issuing bank, whose computers randomly generate the numbers. The chip verifies both the card's validity and the PIN, and the terminal produces a receipt in seconds. French consumers have become accustomed to this highly efficient process.

The PIN also verifies the correct card owner at French ATMs, as do magnetic-stripe ATM cards in the United States. But experts say that the chip's advanced safeguards would have defeated last May's scam in which brazen criminals installed a bogus ATM in a Connecticut shopping mall that copied PINs off the magnetic-stripe cards that were inserted into it. The high-tech thieves then made counterfeit magnetic-stripe cards, which were used to raid accounts, using real ATMs.

But if the chip card fights fraud so effectively, why hasn't every major card market followed suit?

"Cost," replied Mr. Evans, of APACS. "The chip solution is regarded as being more expensive than other new methods of fighting fraud which could prove to be equally effective. Other technologies which we're looking at in the U.K. include biometric methods such as voice recognition and finger scanning, which is similar to checking fingerprints, but not really the same thing."

Hervé Lacotte, a spokesman for Groupe des Cartes Bancaires, said the overall cost of developing and manufacturing the chip card and putting it into near-universal use in France has been close to 100 million francs.

In the United States, where magnetic-stripe cards are still the norm, some reductions in fraud have been achieved by adding a photograph of the card owner to the front of the card. According to RAM Research, a credit card newsletter, bank-card fraud in the New York area dropped 67 percent between April 1992 and December 1992, following Citibank's introduction of the photo card.

PHILIP CRAWFORD writes about finance and economics from Paris.

## Banks Watch Interest Rates And Wait for Better Times

By Conrad de Aenlle

PARIS — The recession that is making most of Europe feel fairly morose has not given French bankers much to cheer about either. The promise of lower interest rates has remained substantially unfulfilled, and along with it the promise of better times that those lower rates are supposed to bring.

Both of those elusive economic circumstances were supposed to bail the banks out of their lingering funk by improving their earnings and allowing some of their strapped corporate and retail customers to repay loans. So far, no such luck.

Provisions for bad loans last year are estimated at 115 billion francs, or around \$20 billion, 64 percent higher than in 1991. That has, of course, depressed profits in the industry. Earnings at publicly listed French banks were generally flat in 1992, but they remain stuck at levels somewhat worse than those of the late 1980s, which was the last pleasant time to be a bank in France. This year's first half offered no respite.

Earnings at the recently privatized Banque Nationale de Paris fell 60 percent year to year during the half, to 522 million francs, and Chairman Michel Peberneau has told the public to expect more of the same in the second half. One thing that did go up in the first half, by 42 percent, were reserves for bad loans. Other banks are doing a little better. Crédit Commercial de France and Société Générale each reported gains of close to 10 percent for the first half. Somehow, CCF was able to do it with a 68 percent increase in bad-debt provisions, while those at Société Générale were up just 3 percent. Banque Paribas was a standout, with earnings rising to 2 billion francs from 60 million a year earlier.

Regulators, trying to prepare the public for the bad news, said before the first-half figures were announced that things were not all that bad, especially compared with the United States and Japan.

"French banks are well equipped to overcome" the spate of bad real estate loans, Hervé Hancoun, deputy governor of the Banque de France, told a press conference last June. "The stability of the French banking system has not been undermined. Some institutions ran into difficulties, but these were isolated cases."

Maybe so, but as the six-month figures show, bad loans have become a persistent problem for more than a few banks, and some who follow the industry think this is putting them in a bad spot, compared with banks elsewhere in Europe.

"They are having some problems; they are doing worse than most," observed Chris Davis, who follows European banks for Barclays de Zoete Wedd. "The recession has hit them harder" than banks in Switzerland, say, or Germany.

The difficulties confronting the sector have been felt by big and small banks alike, although they have traveled different paths to arrive at the same sorry place.

"The Suez and Paribas of this world have taken their pain along with everyone else," said Mr. Davis. "The difference there is the big boys' problem has essentially been in lending quality with small and mid-sized corporations; Paribas and Indosuez are not in that market at all. They lend to larger corporations, and that's all right, but they have above-average exposure in the property market."

BNP is a big boy with big problems, and they are not likely to end soon. Mr. Davis said there may be a modest recovery next year, but "if you're looking for a strong recovery, you'll have to wait until 1995."

But while business at BNP may not be better for quite a while, its transfer into private hands means

business will certainly be different — for employees, stockholders, customers, and other banks, too. "The largest commercial bank in the private sector, meaning it will be managed for the shareholder rather than with the state in mind," explained J. Paul Home of Smith Barney Shearson. "That will be healthy for the industry. We'll finally see the French banking system, led by this bank, increasingly resorting to layoffs. It's been clear for a long time that French banks are overstaffed."

The bloated employment rolls have kept the costs of BNP's, and other banks', services higher than they should have been. Mr. Home said. Because their labor costs are high, the spread between the interest they pay depositors and the interest they charge borrowers must be high, as well.

That spread ought to come down, although it will probably be a slow process — banks seldom pass on savings at breakneck speed — but customer charges are likely to rise, he said, as banks are able to take full advantage of their marketplace, freed from constraints imposed by the state.

"I think we're going to see bank costs all across the range of services go up at BNP, with others to follow," Mr. Home said.

Being in the private sector should also make it easier for BNP to form links with foreign banks, such as the one with Dresdner of Germany. The two banks extend courtesies to each other's customers and are expected to set up a joint retail branch network in Eastern Europe and take 10 percent holdings of each other's stock. Société Générale, too, has an arrangement with the British bank National Westminster in which each helps the other's clients when they journey onto its turf.

"In terms of forming international alliances, a lot of companies prefer to be dealing with an entirely private bank," said an analyst who follows BNP for a London brokerage. "It's a guarantee for shareholders that basically the bank will be acting in their best interests, rather than anybody else's."

Forming such alliances allows banks and insurance companies, which also are actively seeking foreign ties, "to offer more services to clients abroad without incurring the higher costs of an acquisition," the analyst said. "It enables them to increase the level of service to clients. That's the idea, at least."

What's going to help French banks out of their difficulty, Mr. Davis and others believe, are the long-sought reductions in interest rates, which at last seem to be happening. The German and French central banks lowered key lending rates late in October. "Lower rates will certainly help them improve over a period," Mr. Davis said. "It will also help them reduce the cost of carrying these nonperforming loans and their investment portfolios."

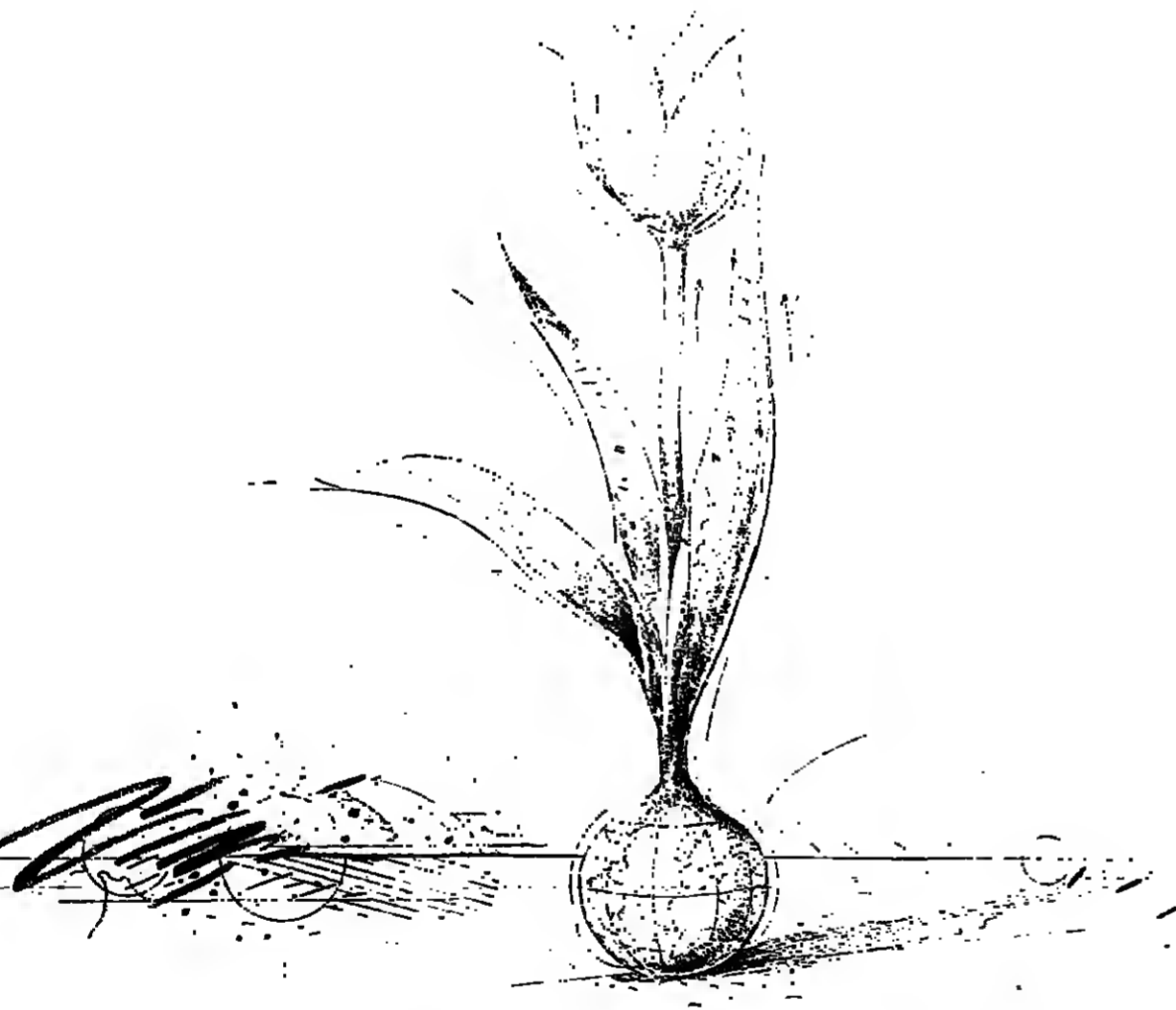
The London analyst, who insisted on anonymity, concurs: "I think rates in the end will be coming down to lower levels than most people expect at this stage. There will be a reversal of the very tight monetary policy in realization of tight economic circumstances."

The trick for banks, said Mr. Home, will be to sit on the gains from the lower cost of funding as long as possible without cutting loan rates. "Banks are not going to immediately pass interest rate savings onto the consumer," he said. "Therefore, they're going to improve their balance sheets."

The French economy bottomed out in the second quarter, he reckons, meaning consumer spending is bound to rise and borrowers will be better able to repay loans. At the same time, with rates lower, there ought to be more of an appetite for taking on new debt, all of which should make banks healthier.

CONRAD DE AENLLE writes about finance and economics from Paris.

## Many banks are returning to their roots.



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## Mutual Fund Giant Challenged

By Martin Baker

PARIS — It has risen from obscurity to No. 2 on the world stage, just behind the United States. It dwarfs every other market in Europe. It has a new and vital role to play in its government's economic policy. Whatever you look at it, the French mutual fund industry has a higher profile than ever before.

The sheer size of the industry often surprises international observers, many of whom tend to associate mutual funds with risk investment and Anglo-Saxon countries. According to statistics from the senior French financial watchdog, the Commission des Opérations de Bourse (COB), 1.915 trillion French francs (about \$325 billion) were held in the most popular mutual fund vehicle, the Société d'Investissement à Capital Variable (SICAV), at the end of the first quarter of 1993. The next most popular collective vehicle, the Fonds Commun de Placement, had 697.6 billion francs under management at the end of 1992.

The French industry is more than twice as big as Europe's next biggest market, the United Kingdom. The British industry is celebrating what is already a record year for asset growth, yet the total under management in unit trusts (unquoted vehicles always open to new investors) is a relatively paltry \$84.1 billion (\$126 billion), according to figures from Aulif, the U.K. fund industry trade association.

The size and success of the French fund industry is in part attributable to the French banks, who have traditionally been somewhat miserly with the yield offered on their deposit accounts. The result has been, after a little adjustment in the tax laws late in the 1980s, a flight into mutual funds. The great majority (around 70 percent) of money in SICAVs is invested in funds that buy cash instruments on the international money markets. Bonds account for around 19 percent of the SICAV market, and funds that invest in shares make up the rest, of

around 11 percent.

The pronounced preference for money market funds and bond funds, which are only slightly more risky, gives a good picture of the psyche of the French mutual fund investor.

"Risk-aversion has historically always been the French investor's mentality," says Robert Marjolain, managing director of Micropal (France), the international fund monitoring group. "The French have always preferred bonds for historical reasons. It's not always easy to understand why when you look at some of the scams there have been."

Those conservative investing preferences are being challenged by the French government. One of the first things that the Balladur administration did after its election in March was to announce a tax incentive designed to persuade investors to sell some of their money market fund holdings and buy shares in its huge, 40 billion franc privatization program. It has become a plank of the new government's policy to unlock some of the capital held in these funds and encourage equity investment.

The tax incentive is proving popular, and capital is flowing into the "Balladur bonds" designed to be a halfway house on the road to purchasing privatization issues. A tax incentive is one thing, but opinion is divided as to whether French investors are really changing their attitude to risk investment.

"I think people are beginning to appreciate the risk-to-reward factor, particularly at the top end of the market," said Marc Landeau, managing director of Olympia Capital Management, a Paris-based investment house specializing in managed risk investments.

Others argue that the concept of accepting risk to achieve reward is still little understood by the average investor. "People have a somewhat contradictory attitude to risk," said Jean Saint-Gours, chairman of the COB. "They are prepared to accept it, so long as they win." He pointed to the first round of privatizations in 1986, which turned out to be a bonanza

for subscribers. Then came the crash of 1987.

"It was a cold shower after the great enthusiasms shown for the first privatization," said Pierre de Leusse, vice president of Paribas Asset Management. "The result is that there are still fewer French equity investors than there are in other developed countries."

Alain Hindie, head of the asset management division of Crédit Lyonnais in Paris, concurred: "Overall, I don't think attitudes are changing. The Balladur incentives are attractive, but the bulk of money is remaining in money market funds."

INSTITUTIONAL investors, however, are slightly more interested in risk-oriented investment, observed Mr. Hindie. "Although the big corporate investors are more cash-rich than before, because of prevailing economic conditions, there is an increasing tendency to commit money to SICAVs with a balanced portfolio of assets, mainly fixed- and floating-rate bonds."

At Paribas, Mr. de Leusse has been using the strategy of "the intermediate step" to entice investors toward risk investment. His company has launched two funds that use options and futures to enhance performance, while guaranteeing a certain income level.

"If investors accept that their holding might be volatile for the first six months, we offer to beat the benchmark bond rate by 1 percent," he said. "If they accept a year's volatility, we offer to beat it by 4 percent."

The consensus view is that if investing patterns do not change now, when conditions appear to favor equity investment, they may not do so for some time. "We have ideal conditions now," said Mr. de Leusse. "Low inflation, low interest rates, and share markets moving ahead. Investors can now look at international share markets and see what they would have gotten elsewhere."

MARTIN BAKER is editor of the International Herald Tribune's Money Report.

هكذا من الأصل

SPORTS

Miami's Marino: Down, and Out?

By Leonard Shapiro
Washington Post Service
MIAMI — Already the talk is starting, the "thinking the unthinkable," as one local talk show host put it. Trade Dan Marino? Pay Scott Mitchell, an unrestricted free agent when this season ends, whatever it takes to keep him swimming with all the other Miami Dolphins?

pected to know the offense, even if you don't get the reps in practice.
The coach, he added, "expects you to know everything, and that's helped the understanding things.
"He didn't really change anything when Dan got hurt. He said it would be business as usual. He emphasized to the other guys they'd have to pick up the slack. Maybe there was more of a sense of urgency with me in there. I just know these guys are really playing hard."



Nikolai Todorov appeared to lay an egg as his club, Levski Sofia, was eliminated by Werder Bremen in the Champions' Cup.

United Is Ousted From Cup, 170 Fans Arrested

Completed by Our Staff From Dispatches
ISTANBUL — Galatasaray knocked mighty Manchester United out of the European Champions' Cup Wednesday by gaining a 0-0 tie in a second-round, second-leg match of the soccer tournament.
Having gained a 3-3 tie at United's Old Trafford stadium two weeks ago, the Turkish champion advanced to the lucrative third round on the basis of scoring more goals on the road.
Some 40,000 noisy fans in the Ali Sami Yen stadium celebrated the greatest night in the club's history as it eliminated one of the tournament favorites.
Galatasaray held United to just one scoring chance the entire match.
In the 36th minute, the former national team captain, Bryan Robson, sent a long pass through to Ryan Giggs, but the teenage Welsh winger shot across the face of the goal.
Galatasaray could easily have been ahead by then, but twice had shots blocked by United's acrobatic Danish goalkeeper, Peter Schmeichel.

SIDELINES

Bowe Doffs His Shirt — and No Flab

LOS VEGAS (AP) — Rumors that heavyweight champion Riddick Bowe would come overweight for his rematch with Evander Holyfield proved to be just that, rumors.
Bowe made a point of taking off his T-shirt on Tuesday after his final sparring session for Saturday's fight and, in doing so, dispelled questions about his condition.
He did appear heavier than the 235 pounds (106 kilograms) he weighed when he won the title from Holyfield a year ago, but not by too much.

For the Record

Nick Faldo withdrew from England's two-man team in next week's World Cup of Golf in Florida because of a recurring wrist injury, but he would play in this week's rich Volvo Masters — the European tour's final event this year — because he is seeking a second straight money title.
Rugby's World Cup final in London said it had paid \$30,000 of the \$50,000 fee imposed by the IWF last week. After three athletes tested positive for drugs, and should award a year-long ban.
Mario Lemieux, in his second game this season because of chronic back problems, got his first goal and two assists as the Pittsburgh Penguins rallied to tie the San Jose Sharks, 3-3.
Thomas Dooley, who scored the first U.S. goal in the upset of England, and Kristine Lilly were named players of the year by the U.S. Soccer Federation.

Quotable

Frank Orr of the Toronto Sun: "If the North American Free Trade Agreement goes into effect, does that mean Canadian football teams will have to have four players from Mexico on their roster?"
Blackie Sherrod of the Dallas Morning News, on the chase for NFL free-agent players: "Many NFL owners, previously thought to be astute businessmen, have behaved like teen-agers set loose in a mall with daddy's credit card."

Stern Hoping Rumors Will Leave With Jordan

By Harvey Araton
New York Times Service
NEW YORK — People have commented to David Stern that Michael Jordan's premature retirement feels like a tragedy. The National Basketball Association commissioner said his reply is: "What happened to Drazen Petrovic and Reggie Lewis were tragedies. What happened to Magic Johnson was very sad. What happened with Michael is good for Michael."
The New Jersey Nets' Petrovic was killed in an auto crash in Germany last spring. The Boston Celtics' Lewis died of a heart attack shooting around last summer following conflicting diagnoses regarding the severity of a heart condition. Johnson retired two years ago after contracting the virus that causes AIDS.
"You name it, we've experienced it," said Stern, acknowledging that the worldwide impact of these wrenching stories reflects not only the popularity of NBA players, but the vehicle sports has become for wide-ranging discussions on social issues.
"Sports has become a place where more people get more information than any other place," he said. "AIDS, with Magic, Drazen, and Reggie, if you want to engage people in dialogue, it's almost easier to do it in sports, as if it's a safe place."
The social issue that enveloped Jordan, gambling, was not so safe for Stern. Even as Jordan left the Chicago Bulls, that the investigation into Jordan's gambling was rampant, ranging from Stern having conducted a bogus investigation to \$18.74 million leaving Jordan out after uncovering damaging information.
If you're in the public spotlight, you have to take the heat, so that's all right," said Stern. "But I thought there was a media ring going on."
According to several sources in the NBA office who spoke on the condition of anonymity, the league uncovered no proof that Jordan ever bet on NBA games, though the

'Bullethead' Loses Name

Los Angeles Times Service
PITTSBURGH — A bullet lodged in the head of Orlando Antigua, a forward on the University of Pittsburgh's basketball team, has been surgically removed, and with it the nickname he answered to his first two years at the Big East school.
Antigua's teammates called him "Bullethead," referring to the .22-caliber bullet lodged in his head since he was shot in New York on Halloween in 1988.
The bullet entered Antigua's head at the temple and lodged near his ear. Doctors declined to operate then because they thought it too risky.
Sources would not say how deep the investigation went.
The sources said Stern, frustrated by unsubstantiated reports that he negotiated television contracts even while knowing Jordan was going to quit and by rumors that federal authorities were investigating Jordan, decided it was time to officially clear Jordan, and leave the rumor mill to function on its own.

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ART BUCHWALD

Crash, Bang, Choke

WASHINGTON — TV violence is now having its 15 minutes of fame. Legislators are ranting and raving about it. Hollywood is crying censorship, and no one has any idea what to do to cool the tube.



Buchwald

Congress is interested because nobody can disarm a street gang these days, but you can always take a TV license away from a station that features blood and guts on the screen.

What has never been publicized is that all the violent shows on television are written by two men — Moose Wentzel and Roy Jones.

Moose told me that writing violent shows for television was not as difficult as people think. "We started in this business in October 1969, writing a show called 'Crash, Bang, Choke.' It was the story of a gang of kids from Mann County who hold a priest, a minister and a rabbi hostage while they kill a policeman, a schoolteacher and a halfback on the college football team.

more like 'Crash, Bang and Choke.' So we wrote another violent series using most of the elements of the first one.

"They liked it so much that we were asked to write yet another one. This time, instead of a car crash we used a speedboat chase on the Central Park reservoir. We also substituted the villain being churned up in a cement mixer for a scene of him being pushed under a train on the Eighth Avenue subway.

"It sounds as if you guys are really creative."

"Moose shrugged his shoulders. "Writing violent shows is easy: providing you have a good knowledge of what the special effects department can do. Straight shooting with a gun is old hat. Garroting a victim is still good, and if you can have one person standing on another's head under water you have a winner."

"Do either of you pay any attention to the plot?"

"Not if we can help it," Roy said. "Violent TV is not something for intellectuals. The people who watch it seem to be attracted by how much bodily harm the characters can inflict on each other. The funny thing is that when it comes to violence, it's easy to fool adults but you can't fool children. They know when you're faking it."

"I notice that all the stories you tell are very similar. Do you do that on purpose?"

"We don't have time to write a new plot every time. But we are expected to create new methods of mayhem. For example, in the script we're writing now, our victim is killed by a baseball bat thrown at his head. Everyone thinks that the pitcher did it when in fact it was the umpire behind the home plate. No one is wise to this except a kid who sells beer in the stands. He is about to yell out the name of the killer when he is shot from the press box by the umpire's lover, a sports writer named Tina Trowbridge. Our chase scene takes place around the bases with cops finally filling the villain full of lead at home plate.

"Of course, this is just the outline," Roy explained. "We'll jazz it up with material from our other violent shows because the program directors get mad if we don't provide the right amount of action."

The Many Lives of Kieu Chinh

By Seth Mydans

LOS ANGELES — For Kieu Chinh, acting out the most wrenching scene in the film "The Joy Luck Club" — when her character has to embrace twin daughters one last time, then abandon them forever — was reliving the greatest trauma of her own childhood.

Before the scene was shot, Wayne Wang, the director of "The Joy Luck Club," led Chinh to a tree at the foot of a mountain in China and draped his coat over her shoulders for a moment to shelter her from gusts of wind and cold rain. "Think of anything in the past," Chinh recalls the director telling her. "Say anything in Vietnamese that you want to say." Then he left her in front of the camera.

"And I called out, 'Con oi!' Oh, my child!" Chinh said. "It was the last thing I heard my father call out to me when I was a girl and he left me, when he cried and he left me."

Chinh, a quietly elegant woman of 54, has twice suffered great personal loss. She was once the most popular film actress in Vietnam, but recently she has been, like so many other Vietnamese, an obscure refugee. Now, 18 years after fleeing her country, she hopes that her portrayal of Suyuan, the mother of the central character in "The Joy Luck Club," will be the beginning of a revival of her acting career.

In the film, she plays a woman who is forced by war and disease to abandon two babies, and who does not live long enough to see those children again. In life, Chinh was sent to safety by her father when she was 15. He died before she saw him again.

That first loss came with the partition of Vietnam in 1954, when her father, a widower, pushed her onto a plane that was flying south to Saigon. He remained in Hanoi to search for her brother, who had joined the resistance. She was cared for by friends, she said, and waited daily for word from her family, which did not come.

"That scene was like a flashback for me," she said of the parting in "The Joy Luck Club." "It was my own life, only now I was the parent and I could feel the pain my father felt."

Within three years of parting with her father, Chinh had appeared in several films, and over the next two decades she had major roles in many more. She was voted most popular actress at the Asian Film Festival in Taipei in 1972.

Her second loss came with the fall of Saigon in 1975, when she fled on the last commercial flight to join her three children, who were already abroad. The reunification of the country offered the hope that she would one day see her father again, but he died in 1978, having been sick and poor and out of reach of her help.

Sitting with her feet folded under her in a



The Vietnamese actress portrays Suyuan in "The Joy Luck Club."

small, immaculate home in Studio City where she lives alone, Chinh spoke recently of the hardships she shares with other refugees: the interrupted life, the struggle to start again, the loss of a cultural context for one's life and work.

"For Vietnamese in America, the biggest expense now is telephone bills," said Chinh, who has not been back to Vietnam. "There is nothing left in our lives but our loved ones." And the Vietnamese diaspora has scattered across the United States and around the world.

"Especially, I see many artists and writers, how hungry they are that they cannot create in the most effective period in their lives," she said. Here, Chinh has had a number of small parts and has worked as a consultant for movies and television filming scenes about Vietnam. But she said her life has been one of frustration, waiting to be recognized in even a small way, after a life of celebrity in Vietnam.

"It is unfortunate for me that I was born in a war and grew up in a war, and the other half uprooted from my land. You become a stranger here, a completely unknown stranger. So the best years of your life are wasted."

In Hollywood, Chinh has played small roles as a Korean, a Chinese and a Cambodian. She is currently playing a Japanese woman in a workshop presentation at the Brook-

lyn Academy of Music of the play "Sansho the Bailiff," written by Terrence Malick and directed by Andrzej Wajda.

"Isn't it amazing that I haven't had a good Vietnamese part yet?" she said. "If it was a story based on true feelings, a real story, I would know how so easily."

The woman Chinh wants to portray, she said, is the sort of woman who appeared in photographs seen frequently during the war: the grieving survivor, holding her straw hat above her head and keeping over the body of a child or a husband.

"This is what so many women have experienced in my country in the last 40 years, that poor little piece of land that has been the scene of war all the time, the place the world has chosen for its wars," Chinh said.

She recognizes that the world has turned a page and moved its attention away from Vietnam, Chinh said, but the stories she wants to tell are universal. "They don't belong to one country any more, one nationality or one generation," she explained.

Chinh has a lifetime of experience, grief and perseverance to offer. "I'm so frustrated, sometimes, that I cannot do anything," she said. "I just sit here and wait. It's the frustration of the performing artist, that you have so much to share, so much to express, but you have to wait."

PEOPLE

Camillagate Revisited

Face to face: Princess Diana found herself sitting close to Camilla Parker Bowles, the woman at the center of the Prince Charles love-triangle scandal, when they both attended a memorial service. "Diana's worst headache: back again," screamed the Sun. "First it's a migraine attack, then she bumps into Camilla." Diana, who had cut short an official engagement the evening before pleading a migraine attack, was attending the memorial service for the Earl of Westmorland. Parker Bowles was with her husband, Andrew. Charles was not at the service. Royal watchers said the two women had not been under the same roof for more than a year — since before the Camillagate scandal erupted over tapes of an alleged intimate chat between Parker Bowles and Charles.

Italians paid their last respects Wednesday to Federico Fellini, whose work embodied the country's rags-to-riches postwar generation. Thousands gathered outside the funeral at St. Mary of the Angels church in Rome, and millions watched a live television broadcast. The country's political leaders attended the funeral as well as several of Fellini's leading actors, including Anselmo Alesci, and fellow directors, including Michele Massimo Tarantini and Francesco Zuffirelli. Fellini's wife of 50 years and leading lady, Giulietta Masina, arrived with his sister Maddalena. Nurses, tourists, policemen, office workers and retirees — milled around behind barricades in a scene reminiscent of Fellini films. A painter who identified himself as Carluccio held a portrait of the director gesturing over a camera. He said he once offered it to Fellini, but the director told him, "Take it to my funeral."

The veteran journalist William W. Marsh has been named president of Radio Free Europe/Radio Liberty, based in Munich. Marsh succeeds Gene Peck, who resigned last month after eight years as president. Marsh was previously executive vice president of the stations, which were consolidated in 1976.

Barbra Streisand will be performing two rare concert performances, on New Year's Eve and New Year's Day, at a new resort in Las Vegas.

loween — by buying at the moon, a Texas newspaper says. He and about 80 others — including Lady Bird Johnson — attended a party in Austin, Texas, and as the Halloween moon rose, some of the guests demanded that everyone start buying, according to the Austin American-Statesman. All — including a reluctant Rauber — obeyed.

Growing up in New Orleans may have deprived Harry Connick Jr. of more than holiday snowfalls. He needed several pages before he correctly sang the reindeer names during the introduction to "Rudolph the Red-Nosed Reindeer" at a taping of his first network TV special. The singer-songwriter also forgot a verse of "Sleigh Ride" and had a stagehand fetch the lyrics to "Away in a Manger" and "Have Yourself a Merry Little Christmas." Connick made it harder on himself by doing without cue cards. For the record, Rudolph's friends are: Dasher, Dancer, Prancer, Vixen, Comet, Cupid, Donner and Blitzen.

Michael Jackson postponed a concert in Mexico City so he could recover from a dental operation, organizers said. The concert is to be given on Tuesday.

Sam Neill, who stars in "Jurassic Park" and "The Piano," has been named Entertainer of the Year in his native New Zealand.

Boxing gloves autographed by Sylvester Stallone, an autographed bat from Cybil Shepherd and a guitar from the band Aerosmith will be auctioned off in Houston on Nov. 22 to raise money for Midwest flood victims. Proceeds will go to Operation Heartland, which has donated about \$130,000 to food banks, farmer-advocacy groups and homeless outreach projects.

Barbra Streisand will be performing two rare concert performances, on New Year's Eve and New Year's Day, at a new resort in Las Vegas.

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Appears on Pages 8 & 21

WEATHER

Table with weather forecasts for Europe, Asia, Africa, North America, Middle East, and Latin America. Columns include location, today's high/low, and tomorrow's high/low.

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CROSSWORD

Crossword puzzle grid with clues for Across and Down. Includes a solution to the puzzle of Nov. 3.

CROSSWORD

Crossword puzzle grid with clues for Across and Down.

CROSSWORD

Crossword puzzle grid with clues for Across and Down.

CROSSWORD

Crossword puzzle grid with clues for Across and Down.

Large advertisement for AT&T Access Numbers. Text: "I wonder if the little guy had fun today?" Includes AT&T logo and contact information for international calling.

Vertical advertisement for Malibu. Text: "U.S. Rules... Malibu. Ca..."

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